

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, MAY 26, 1927



An agent's success rests on the foundation of his clients' confidence and satisfaction. Recognizing this the NORWICH UNION stands behind its agents with strong reinforcements of financial strength, integrity, and time-tested experience.

NORWICH UNION
FIRE INSURANCE SOCIETY, LTD.
75 Malden Lane, New York

Hart Darlington, Manager

EAGLE FIRE COMPANY
of NEW YORK
INCORPORATED 1896
75 Malden Lane, New York
Hart Darlington, President
The Oldest New York Insurance Company

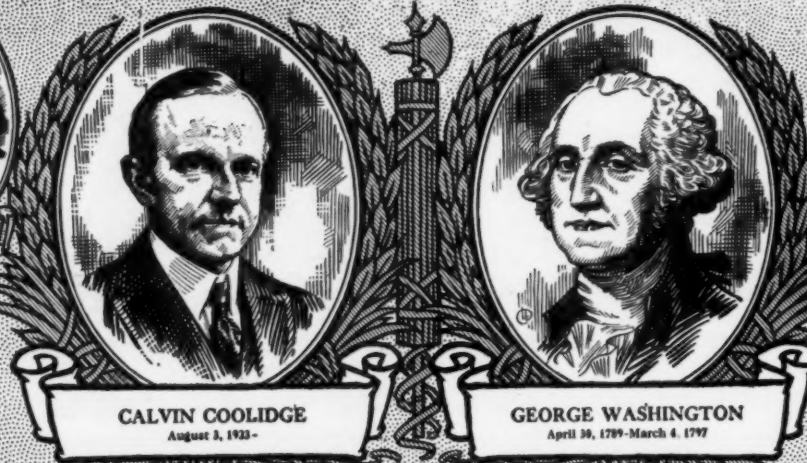
NORWICH UNION
INDEMNITY COMPANY
75 Malden Lane, New York

H. P. Jackson, President

F. P. Stanley, Vice-Pres.

In NORWICH UNION there is strength.

COMPANIES



CALVIN COOLIDGE
August 3, 1923 -

GEORGE WASHINGTON
April 30, 1789-March 4, 1797

1799-1927


Since Washington's Day
the Name
**Providence Washington
Insurance Company**
has stood for Dependability

Ever since its organization at Providence, Rhode Island, in 1799, the Providence Washington has rendered service of unvarying quality to agents and policyholders. From the beginning the company gained the confidence of both and has consistently held this confidence from those days forward.


All of the years since 1799 have not been without periods fraught with danger and distress. Every President has had his share of problems and perplexities. Conflagrations, Depressions, Panics and Wars have come and gone but through them all the Providence Washington has come with a spotless record of obligations honestly and promptly met.

**PROVIDENCE WASHINGTON
INSURANCE COMPANY**
PROVIDENCE, RHODE ISLAND


"It Spans Three Centuries"




ABRAHAM LINCOLN
March 4, 1861-April 15, 1865




ULYSSES S. GRANT
March 4, 1869-March 4, 1877




ANDREW JOHNSON
April 10, 1865-March 4, 1869




JAMES BUCHANAN
March 4, 1857-March 4, 1861




JAMES A. GARFIELD
March 4, 1881-Sept. 19, 1881




RUTHERFORD B. HAYES
March 4, 1877-March 4, 1881




CHESTER A. ARTHUR
Sept. 20, 1881-March 4, 1886




BENJAMIN HARRISON
March 4, 1889-March 4, 1893




GROVER CLEVELAND
March 4, 1893-March 4, 1897
March 4, 1898-March 4, 1901




WILLIAM MCKINLEY
March 4, 1897-Sept. 14, 1901




THEO. ROOSEVELT
Sept. 16, 1901-March 4, 1909




WILLIAM H. TAFT
March 4, 1909-March 4, 1913




WOODROW WILSON
March 4, 1913-March 4, 1919




WARREN G. HARDING
March 4, 1921-August 2, 1923




JOHN TYLER
April 4, 1841-March 4, 1845




JAMES KNOX POLK
March 4, 1845-March 4, 1849




WM. H. HARRISON
March 4, 1841-April 4, 1845




ANDREW JACKSON
March 4, 1829-March 4, 1837




MARTIN VAN BUREN
March 4, 1837-March 4, 1841




JOHN QUINCY ADAMS
March 4, 1825-March 4, 1829




JAMES MADISON
March 4, 1809-March 4, 1817



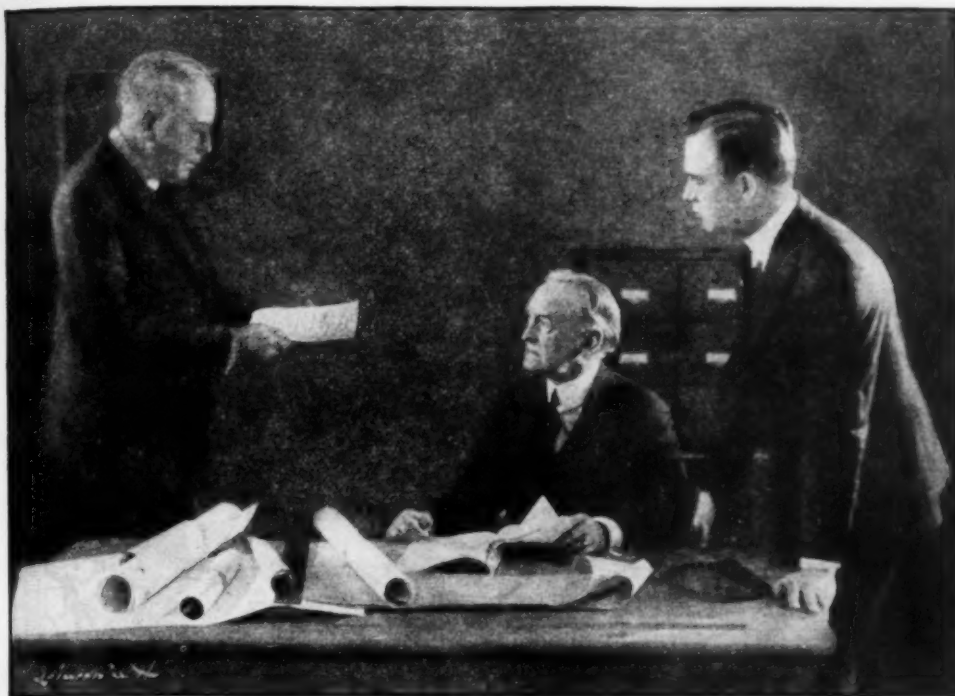
JAMES MONROE
March 4, 1817-March 4, 1825



THOMAS JEFFERSON
March 4, 1801-March 4, 1809



JOHN ADAMS
March 4, 1797-March 4, 1801



"If Roger Babson says it's O.K.,"

ROGER W. BABSON
BABSON PLAN 1926
November 21, 1926.

Grinnell Company, Inc.,
Providence,
Rhode Island.

Gentlemen:

I have your letter of the 17th inst., requesting data on Automatic Sprinkler Protection as well as the Insurance Premium Savings Plan. I am very glad to help you in this realization very clearly that fire insurance is the only thing to the country's value. The Grinnell Company is the only one in the world that has a community for the improvement of business conditions.

Please send, free, a copy of Roger W. Babson's letter and "The Local Agent and Automatic Sprinklers."

Name _____

Firm _____

Address _____

Grinnell Co., Inc., 251 W. Exchange St., Providence, R. I.

An Agent Beats Internal Politics

SCENE: Office of H. A. Baldridge, President of the Baldridge Store, Inc. Tom Saunders enters briskly. He is junior partner of Saunders Insurance Agency.

Saunders: "I'm mighty glad you could give me a few minutes, Mr. Baldridge. I want to tell you about a proposition I've hit on that will save you 80% on premiums and give the Baldridge Store the best sort of fire-protection in the world." (While Saunders is talking, Mr. Tingley, Treasurer, enters.)

Mr. Baldridge: "Say Tingley, you came in just at the right moment. Saunders, here, has just started to explain a way to save 80% on the fire policies he's been writing for us."

Treasurer: (testily) "He'll have to do some explaining. If there was anything to it we'd have heard about it from Jim—" (Tingley realizes he has made a blunder and stops short.)

Mr. Baldridge: (slightly annoyed, turns to Saunders) "I suppose I should explain what lies back of Mr. Tingley's remarks. I'm sorry to tell you that we have decided not to renew our insurance with you, but to place it through another agency. Mr. Tingley's brother has recently moved here, and has become a partner in the Resolute Agency. Candidly, I like the idea of our insurance being handled by someone so close to the management. Sort of keeps things in the family. But, of course, I still want to hear what you have to say."

Saunders: "Thank you, Mr. Baldridge. The proposition is perfectly simple—and entirely straight and above-board. The premium rate on the Baldridge Store will drop 80% the moment automatic sprinklers are installed—"

Treasurer: (cutting in) "—providing the Baldridge Store wishes to spend the money. I don't think we are prepared to tie up that much of our working capital, just now. Do you, Mr. Baldridge?"

Mr. Baldridge: "Absolutely not." (Turning to Saunders, ironically.) "Unless Mr. Saunders would like to finance the operation himself."

Saunders: "I'll do better than that, Mr. Baldridge. I'll have Grinnell Company do it for you. They will install a Grinnell Automatic Sprinkler system to be paid for in six annual payments amounting to the difference between your present premium rate and the new low one. Thus in six years you'll have a sprinkler system entirely paid for without taking a nickel from your working capital. And without spending a cent more than you are now paying for insurance."

Treasurer: "It all sounds very plausible, young man. But I think it's a little *too* good."

Saunders: "You would accept Roger W. Babson's testimony that it is good, wouldn't you, Mr. Tingley? Here's an open letter from Mr. Babson, published by Grinnell Company. It analyzes this sprinklers-for-premiums proposition from every standpoint, and gives it unqualified endorsement."

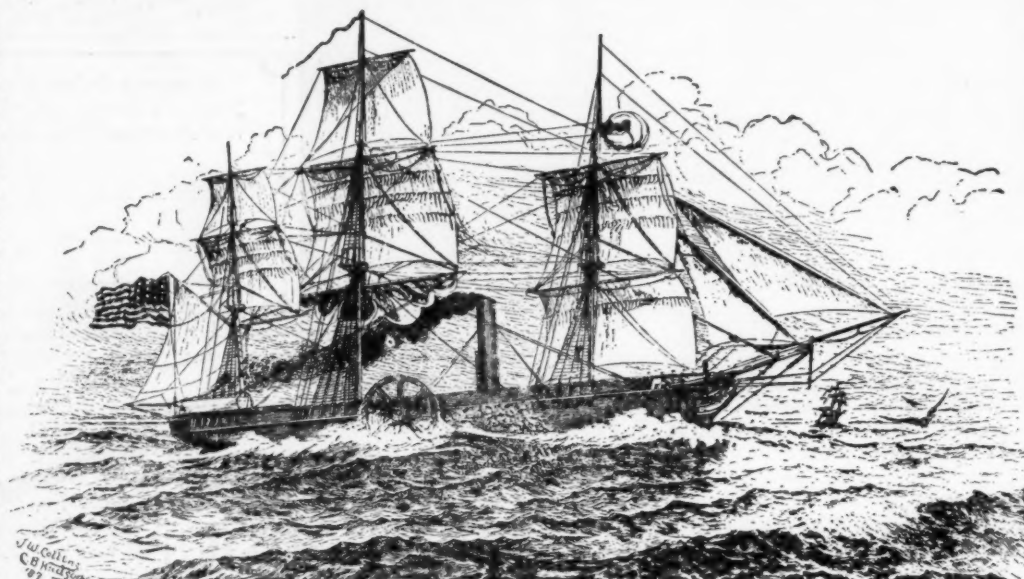
Mr. Baldridge: "If Roger Babson says it's O. K., Tingley, it's good enough for the Baldridge Store. Forget what I said about changing agencies, Saunders. And let me know what you can do for us on the insuring of the plate glass in the enlarged show windows we're putting in."

* * *

—yes, there's something more to this sprinklers-for-premium proposition than a protection against competition. Thousands of authorized agents and brokers have found the good will it earns has made the way easier for increasing present lines and adding new ones. Some of the biggest agencies freely admit it has helped them get where they are today. Send the coupon for Mr. Babson's letter, and the free booklet "The Local Agent and Automatic Sprinklers."

GRINNELL

AUTOMATIC SPRINKLER SYSTEM



The Steamship "Savannah"

THE first steamship to cross the Atlantic was the "Savannah." She was a full-rigged ship of 350 tons built by Francis Fickett in 1818, and was equipped with paddle wheels arranged to close like a fan so that they could be taken aboard if desired. She carried 25 cords of wood and 75 tons of coal. According to her log—May 22, 1819: "7 A.M., got steam up winded ship and hove up the anchor, and at 9 A.M. started with the steam from Savannah. . . ." On June 17 the "Savannah" was overhauled and boarded by the King's Cutter "Kite" whose crew thought the ship was afire. June 20, 1819: "With all sails set to best advantage the Savannah hove to off the bar for the tide to rise. At 5 P.M. shipped the wheels furling the sails and running to the river Mercer at 6 P.M. Came to anchor, twenty-nine days, eleven hours from Savannah, during which time the vessel had run under steam 80 hours."

The tourist season is now at hand, and as the "Savannah" was the first steamship to cross the Atlantic so we hope our agents will be among the first to seize every opportunity to write the insurance which this company offers to the traveling public. Every one who uses a railroad train or a steamship should be protected against the mishaps which may occur. The SPRINGFIELD FIRE & MARINE INSURANCE COMPANY has afforded this protection to thousands of travelers. Make this season a record-breaker in the number of policies placed by your agency to safeguard those who travel.

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY
SPRINGFIELD, MASSACHUSETTS, U. S. A.

GEORGE G. BULKLEY, President

Western Department
HARDING & LININGER, Managers
Chicago

Pacific Department
GEORGE W. DORNIN, Manager
San Francisco

CHARTERED
1849
Springfield
Fire and Marine
Insurance Company
SPRINGFIELD, MASS.



Pile Driving

A firm foundation is required for a towering structure. Deep down to bed rock the piling is driven by constant pounding of the drop hammer.

A solid foundation is essential to the structure of modern business. This necessitates complete and sound insurance for without it no business can stand secure.

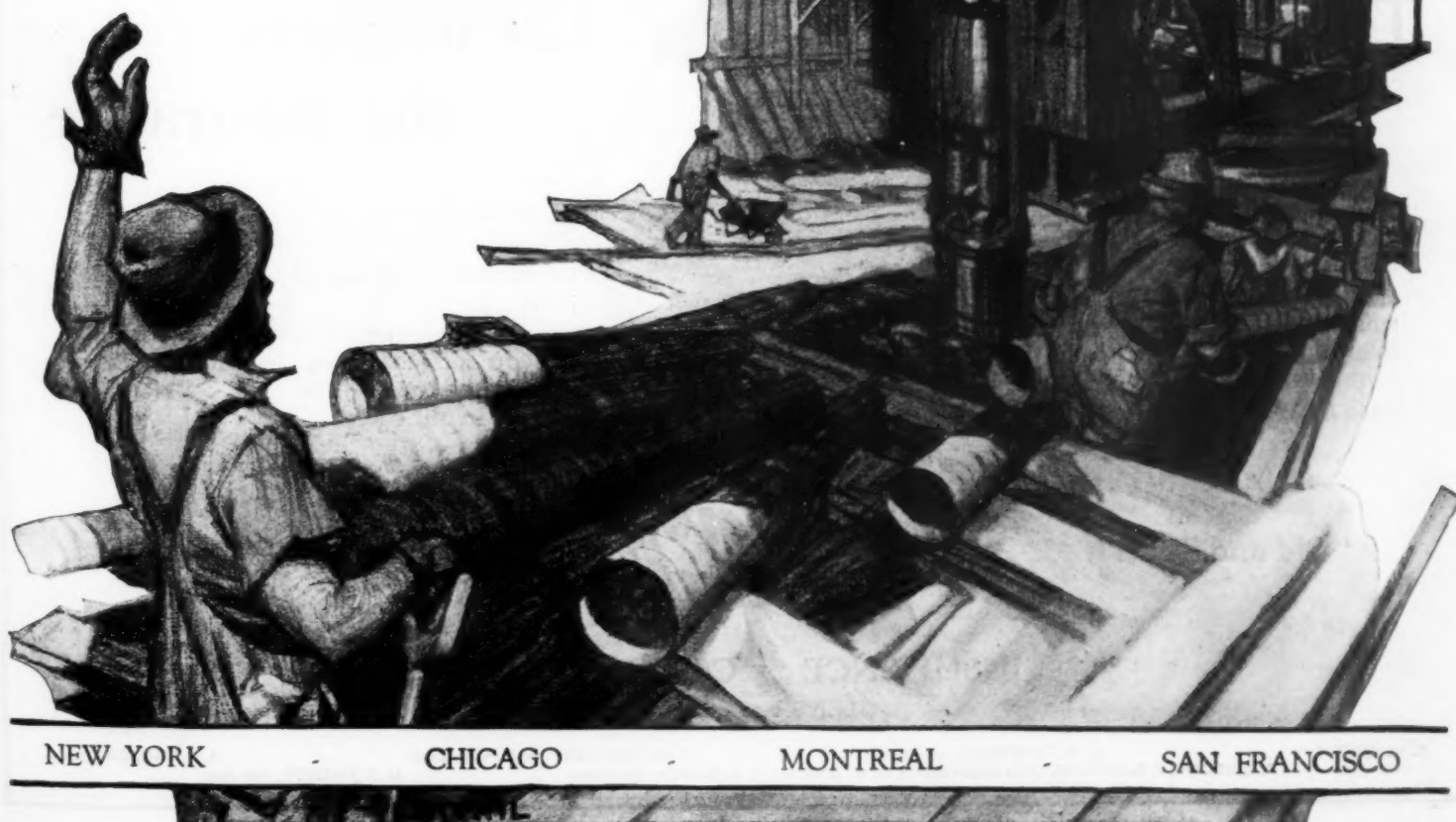
Choose with discretion the insurance with which to safeguard the property of your clients. Place it in a company built upon the unshakable foundation of financial strength and business integrity. The Fidelity-Phenix is such a company.



FIDELITY-PHENIX
FIRE INSURANCE COMPANY
EIGHTY MAIDEN LANE NEW YORK, N.Y.

ERNEST STUBB, Chairman of the Board
PAUL L. HAID, President

CASH CAPITAL—TEN MILLION DOLLARS



NEW YORK

CHICAGO

MONTREAL

SAN FRANCISCO



The porter carries
the baggage

Let us carry
the insurance

You pay the *porter* a premium in the form of a "tip" for carrying your baggage and assuming no liability.

Why not pay us a premium, relatively much smaller, for carrying the insurance and assuming the liability?

The *porter* serves you for ten minutes at the rate of \$13,000 a year.

We serve you for a whole year—525,600 minutes—for only $\frac{1}{13}$ of 1 percent of this amount.

The *porter* carries your baggage for a few hundred feet at the most.

We "carry" your baggage all over the earth, protect it everywhere outside of your own home—even at tailor's or dry-cleaner's—and pay for loss or damage while it is in our care.

"Old and Tried"

Glens Falls

INSURANCE COMPANY
GLENS FALLS, N. Y.

Founded in 1849

E. W. WEST, Pres.

H. N. DICKINSON, Vice-Pres.

F. M. SMALLEY, Vice-Pres. and Secy.

R. C. CARTER, Treas.

R. S. BUDDY, F. L. COWLES, G. P. CRAWFORD, H. W. KNIGHT, J. A. MAVON, Secretaries

G. S. JAMISON, Asst. Secy.



Standard Fire Insurance Policy of the
State of New York

Expires *January 1, 1928*

Amount *\$100,000.00*

No. *1522340*

**ROYAL
INSURANCE
COMPANY,
LIMITED.**

LEADING
AGENTS and BROKERS
EVERYWHERE

It is important that the written portions
of all policies covering the same property
read exactly alike. If they do not they
should be made uniform at once.

Brown Bros.

THE STORAGE facilities of the country handle annually many millions in manufactured products of which over 90% have been sold on credit. Insurance on these goods is essential to keeper, debtor and creditor.

Sound insurance as symbolized in the Red Royal Shield is assisting men of commerce to carry through their obligations with confidence and certainty.

ROYAL

INSURANCE COMPANY LTD.

DEPARTMENTAL OFFICES:

ATLANTA, GA.
Milton Dargan, Manager

NEW YORK
William Mackintosh, Manager

BOSTON, MASS.
Field & Cowles, Managers

CHICAGO, ILL.
Elwin W. Law, Manager

SAN FRANCISCO, CAL.
H. R. Burke, Manager

INSURANCE AND FINANCE

Wall Street represents the greatest investment district in all the world. Insurance acts in its broad way, to protect these investments. Insurance Companies through safe underwriting and conservative investments entrench themselves with financial strength which enables them to aid further constructive progress and protect the enterprise of commerce and industry.

The accompanying statement of The Home Insurance Company of New York establishes its position as a leader among the financially sound stock fire insurance companies.

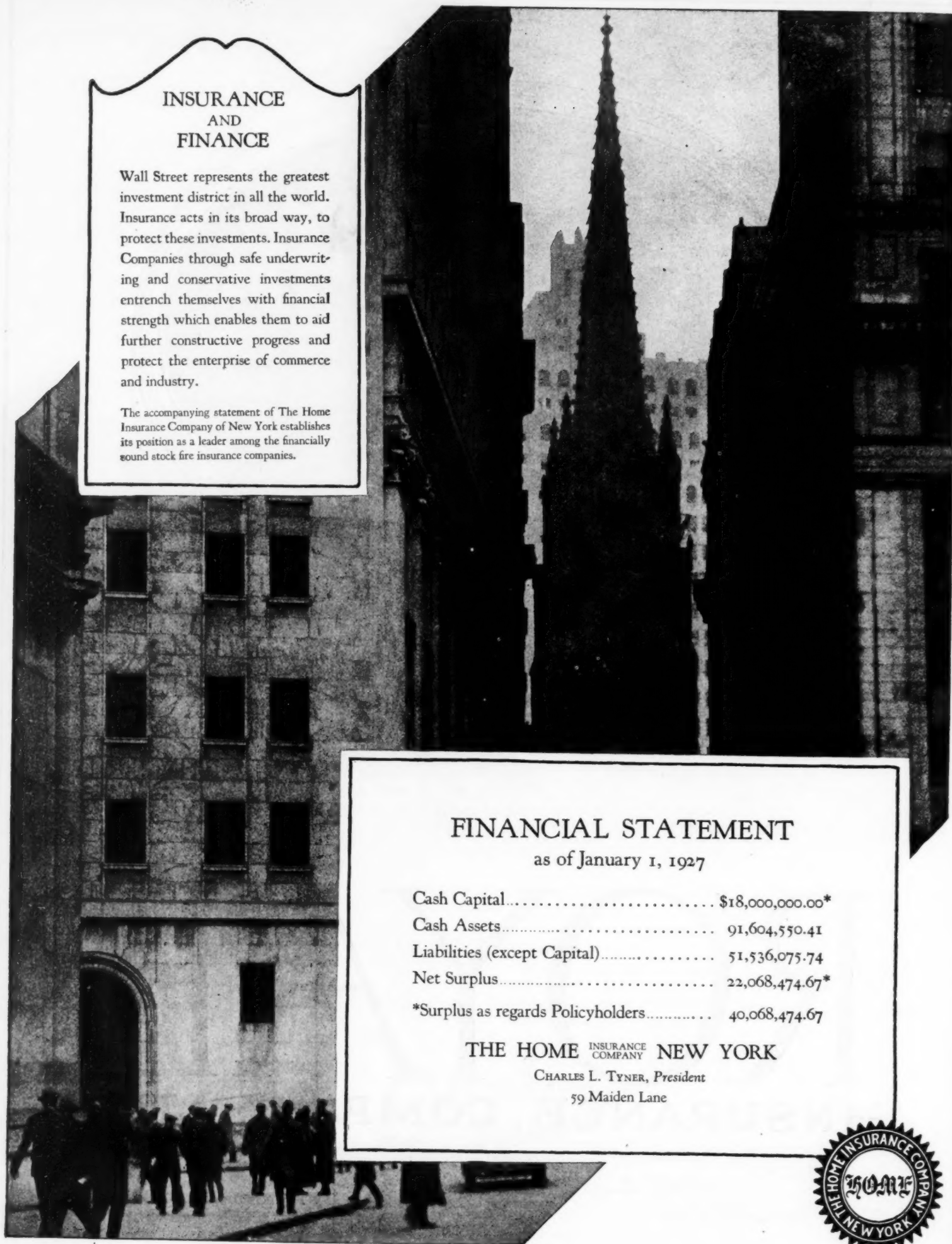
FINANCIAL STATEMENT

as of January 1, 1927

Cash Capital.....	\$18,000,000.00*
Cash Assets.....	91,604,550.41
Liabilities (except Capital).....	51,536,075.74
Net Surplus.....	22,068,474.67*
*Surplus as regards Policyholders.....	40,068,474.67

THE HOME INSURANCE COMPANY NEW YORK

CHARLES L. TYNER, President
59 Maiden Lane



The National Underwriter

Thirty-first Year, No. 21

CHICAGO, CINCINNATI AND NEW YORK, THURSDAY, MAY 26, 1927

\$4.00 Per Year, 20 Cents a Copy

GREAT FIRE-CASUALTY ALLIANCE IS FORMED

America Fore Group and Fidelity & Casualty Join Interests and Interchange Directors

PLAN CLOSE COOPERATION

Agency and Financial Forces Closely United With Splendid Underwriting Service on Both Sides

NEW YORK, May 25.—Of high interest to the underwriting fraternity of the country is the announced close alliance effected between the America Fore companies (American Eagle, Continental, Fidelity-Phoenix and the First American) and the Fidelity & Casualty, all of this city. Under an agreement already consummated, Ernest Sturm, chairman of the board of the fire companies, becomes a director of the casualty corporation; Robert J. Hillas, president of the Fidelity & Casualty, in turn taking a place on the directorate of the Fidelity-Phoenix, one of the leading corporations of the America Fore group. William Woodward, a director of the Continental, already holds a like relation to the Fidelity & Casualty, while John J. Riker and Willis D. Wood, of the Fidelity-Phoenix board, are likewise directors of the casualty company.

Will Cooperate Aggressively

A full joint cover automobile policy will be immediately issued as the first of the activities of the affiliated fire and casualty companies. Henceforward the official staff and the field force of each of the interested organizations will cooperate aggressively in furthering the interests of the other.

This affiliation is the largest of its kind that the business has known thus far, and doubtless establishes a record that will hold for a long time to come. The America Fore group with total assets of \$140,000,000, and an annual premium income of \$53,000,000, is in the forefront in the fire underwriting field, while the Fidelity & Casualty, with \$53,000,000 of assets and a premium income of \$24,000,000, has long been a favorite in casualty underwriting circles.

Solves Casualty Affiliation

Much speculation has been indulged in during recent years as to how the America Fore group would solve the problem of a casualty affiliation, and contrarywise, how the Fidelity & Casualty would secure a fire company connection. Each interest has given consideration to the formation of a subsidiary corporation, the field representatives of both strongly urging such action as a means of adding to the carrying facilities of their offices. Through a juncture of forces the great agency plant of the America Fore companies becomes immediately available to the Fidelity & Casualty. In addition the

FIRE COMPANIES DENIED RATE INCREASE IN TEXAS

"NOT JUSTIFIED," IS RULING

State Fire Insurance Commission Says They Must Await Effect of Changes Already Made

AUSTIN, TEX., May 24.—Stock fire insurance companies operating in Texas have been denied an increase in rates by the state insurance commission. It is the judgment of the commission that no increase in rates is justified or should be granted until such time as the effect of the increase allowed on dwellings and barns on farms in 1926 and a further increase by the application of bad fire record penalty charges in cities and towns can be determined. The companies must furnish information satisfactory to the commission that they are using reasonable care in the matter of appointing agents and accepting risks.

latter office secures the benefit of the financial experience and counsel of a group of men conspicuously successful in the realm of finance.

On the other hand, the America Fore group is advantaged in at once securing for its representatives everywhere the facilities of one of the great casualty and surety writing institutions of the land, with an unblemished reputation for the treatment of policyholders, and further will place the representation of one of its companies in each of the 20 or more prominent city branch offices of the Fidelity & Casualty.

Close alliances between fire and casualty companies has been a pronounced trend in the insurance world during the past 10 years, and only a limited number of important corporations in either division is now without an arrangement of such character. That all will eventually form such combinations, either through the formation of subsidiaries or by other means, is the general opinion of observing underwriters.

Value of Skilled Management

The management of the America Fore group feels that in consummating an arrangement along the lines effected, it saves the heavy initial expense incidental to the launching of a new casualty corporation; getting instead the benefit of a long established plant and a skilled and time tried management; the Fidelity & Casualty at the same time secures the benefit of an association with one of the foremost fire insurance combinations of the United States.

Details of the plan of operation, together with policy contracts for use in the field, are now being prepared and will be in the hands of the combined agency force within a short time.

C. A. McCotter Gravely Ill

C. A. McCotter, secretary of the Grain Dealers' National Mutual Fire, is gravely ill at his home in Indianapolis. He was seized last Saturday and has been unconscious most of the time since. Mr. McCotter is well known throughout the west and especially among the mutual companies.

PALACHE IS FIRM IN REFUSAL OF PRESIDENCY

BULKLEY IS NEXT IN LINE

National Board at Annual Meeting Will Seek to Retain Commercial Union Head as Vice-President

NEW YORK, May 25.—Should Whitney Palache, United States manager of the Commercial Union fleet, persist in his refusal to consider the presidency of the National Board at its annual meeting tomorrow, an effort will likely be put forth to have him retain the vice-presidency. It is a question, however, whether this will prove successful, Mr. Palache finding his time very fully occupied in administering the affairs of his own companies.

Bulkley Next in Line

George G. Bulkley, president of the Springfield Fire & Marine, and for the past year chairman of the executive committee of the National Board, is next in line after Mr. Palache for the presidency of the latter organization, while Vice-President James Wyper of the Hartford probably will succeed to the chairmanship of the executive committee. It is regarded as highly essential that one in direct line for the presidency of the National Board serve for a time as head of its executive committee, for in no other way can he gain such intimate knowledge of the varied and highly important activities of the organization; information almost invaluable when he assumes the chief executive post.

SHIP INSURED FOR PART OF NEW YORK-PARIS HOP

While the world is ringing with Capt. Charles A. Lindbergh's sudden leap into fame, it is interesting to note that his plane, the "Spirit of St. Louis," was an exponent of a new form of insurance protection, for policies are now beginning to be issued against the hazards of the skies as well as of the land and sea.

During the transcontinental portion of the trip this famous plane carried a policy in the Independence companies of Philadelphia, which was arranged by Barber & Baldwin, their underwriting agents.

Casualty men say that no company, save possibly London Lloyds, would have covered the flyer or his plane for the transoceanic portion of the flight. Had the flight been made in a seaplane, coverage could have been obtained. But one of the conditions of the contest was that the trip must be made non-stop in a land plane.

Life men say that any life insurance Captain Lindbergh may have carried may or may not have been canceled by the insurers, according to the length of time the insurance may have been in force and according to the practices of the company or companies involved.

Kills Compulsory Measures

The Wisconsin assembly Monday night put to death two bills providing for compulsory automobile liability insurance. The bills, by B. J. Gehrmann and Anton Schauer, were identical.

INDIANAPOLIS TORNADO CAUSED HUGE LOSSES

Many Indiana and Ohio Cities Hit by Disastrous Storm

DESTRUCTION IN MILLIONS

Figures Not Yet Available, But All Companies Are Hit—Much New Business Written

INDIANAPOLIS, IND., May 25.—Across Indiana from Terre Haute to Dayton, O., last Wednesday night a tornado, accompanied by destructive side winds, laid a path of destruction along the National Road causing property losses aggregating several million dollars. But one loss of life as a result of the storm has been reported, and that in Indianapolis, where some 150 persons were more or less seriously injured, about 40 being taken to hospitals.

Loss in Millions

The property damage in Indianapolis alone is conceded to be approximately \$3,000,000 while loss reports are being received from points all along the course of the storm, including Terre Haute, Sullivan, Greencastle and other points. In no place, however, was the force of the storm felt as in Indianapolis. The tornado proper crossed the city from the southwest to east, dipping down at points and leaving centers of destruction like the foot prints of a giant. As the storm passed along Washington street, the main business street, for some miles it is conceded that the loss would have run upward of \$100,000,000 had it not lifted as it did, touching only here and there along the path. Much damage resulted in the business district in the aggregate due to broken windows, signs, leveled smokestacks and the unroofing of some buildings, permitting the ruin of stocks due to rain and mud.

Adjusters Are Swamped

The insurance losses are being handled as rapidly as possible, quite a number of adjusters being sent in from other states to help as every local office is swamped with claims. The insurance loss will be comparatively light although much tornado insurance was carried, as this protection is required by loan companies and all property under mortgage is usually covered to the extent of the loan. However, the balance of the interest in most cases was not covered and property owners are heavy losers in their equities beyond the amount they had borrowed.

It is too early for companies to know very definitely as to their losses because of the many scattered reports that are still coming in from outside the direct path of the storm. Then, too, the consequential losses on stocks and contents

(CONTINUED ON PAGE 18)

UNDERWRITERS RELATION TO LONDON LLOYDS SHOWN

CORPORATION NOT INSURER

New York Decision Holds That Action
Must Be Brought Against Indi-
vidual Members Involved

NEW YORK, May 25.—The report of Special Master Alfred C. Cox, Jr., in the case referred to him to ascertain the facts concerning London Lloyds, serves to define the term. The report of the special master to the United States court was to the effect that the theory on which the action was brought against the corporation Lloyds was erroneous and that the claims must be asserted against the individual underwriters who issued the policy and not against a corporation which was not a party to the policy. To show the relation between the individual underwriters, who are the insurers, and the corporation, which was not organized for profit and does not do an insurance business, Mr. Cox traced the growth of the Lloyds' plan as follows:

Origin of Lloyds

"The history of Lloyd's dates back to the latter part of the 17th century, when the shipping interests met at a small coffee house kept by Edward Lloyd, at the corner of Abchurch Lane and Lombard street, in the city of London. Originally, Lloyd's was nothing but a place where merchants and shipping men congregated for the interchange of information and the transaction of mercantile business. But as time went on, the coffee house developed into a large fraternal organization, with a substantial permanent home, many members, and extensive subsidiary services. Gradually, also, the name 'Lloyds' became synonymous with underwriting by individual underwriters under the supervision and regulation of Lloyds.

Is Non-Profit Corporation

"Lloyds was incorporated in 1871 by special act of parliament. Its powers were subsequently enlarged by an amendatory act passed in 1911. Under these acts, Lloyds became a non-stock corporation, with broad general powers. It is referred to specifically in the acts of 1871 and 1911 as the 'society.' It was not organized for profit, and does not do an insurance business. Whatever earnings it is able to make are used to enlarge its facilities, or extend its services. The act of 1871 provides that the governing body shall consist of a committee of 12 elected by the members, three members of the committee retiring each year. There is also in this act a schedule prescribing the 'fundamental rules of the society.'

Rules Governing Members

"These rules divide the members into 'underwriting members' and 'non-underwriting members,' and provide that non-underwriting members shall not do any underwriting business at Lloyds. It is further provided in the act that any member shall cease to be a member if convicted of an infamous crime, or if convicted of having committed a fraud, or if he has become bankrupt, or insolvent, or suspends payment, or places his affairs in the hands of trustees, or makes or proposes any composition with creditors, or if he is in arrears for one year in respect to any subscription, or any sum payable by him under the by-laws."

W. J. Comans in West

W. J. Comans, United States manager of the Queensland, has left New York for the Pacific coast on his way to Australia. Mr. Comans is making a combination business and pleasure trip and expects to be back in New York by the end of September. Henry J. Robinson, fire manager, will be in charge of Mr. Comans' office until that time.

EFFECTIVE WORK DONE IN FIRE AT KANKAKEE

LOSS WAS WELL HANDLED

Jacob M. Loeb of Chicago Sent Sears,
Roebuck & Co. His Firm's
Check for the Amount

Some very effective work was done during and after the fire destroyed a section of the E-Zest Way Stove Works at Kankakee, Ill., owned by Sears, Roebuck & Co., May 12. There was \$1,200,000 insurance on the entire plant. The loss on the section destroyed was adjusted at \$121,575. Sears, Roebuck & Co. and their subsidiaries carry perhaps \$150,000,000 fire insurance on all their properties.

This Kankakee plant was sprinklered. The fire was discovered at 10:30 a. m. in the jannanning department. There was an explosion following a flash fire caused by sparks from a motor driving a pump on the dipping tanks. The Sears, Roebuck & Co. reservoir holding 100,000 gallons of water was filled three and a half times. Its own fire department and fire equipment got to work immediately. The explosion disrupted the sprinkler system so that it did not function. This was the first serious loss that Sears, Roebuck & Co. have had in many years. Their record has been gilt edged.

Loeb Got on the Job

Jacob M. Loeb of Chicago, head of Eliel & Loeb Co., who handle all the Sears, Roebuck & Co. insurance, instructed the management to proceed along the same lines they would had they no insurance. When the fire started the Sears, Roebuck & Co. employees at Bradley, Ill., some distance away, were taken by trucks to Kankakee to help fight the fire. Magnificent work was done in getting auditors on the ground so that by the Monday following Thursday, the day of the fire, the Western Adjustment and the Underwriters Adjusting Company were on the scene and had no difficulty in handling the claim. Jacob M. Loeb sent the check of his firm on May 18 to Sears, Roebuck & Co. for the entire amount of the loss.

NORTH AMERICA IS NOW LEADER IN CONNECTICUT

COMMISSIONER'S REPORT OUT

Shows Developments of Year Both as
to Home Companies and Those
of Other States

HARTFORD, CONN., May 25.—The annual fire and marine report of Connecticut covering last year was made public this week by insurance commissioner Dunham. It reveals that a stock company of another state had supplanted a Hartford company as the leader in the amount of net fire premiums received in Connecticut.

North America Led

The Hartford Fire was the leader in 1925 with a net fire income from Connecticut of \$642,620. In 1926 the North America led the field with \$528,462. The National Fire premiums were \$510,709. Other leaders were: Aetna, \$502,673; Hartford Fire, \$469,116; United States Fire, \$393,902; Home of New York, \$381,016.

It is noticeable that the New York Underwriters, which was a separate department of the Hartford Fire in 1925 but was incorporated as a separate company in 1926, had a net premium income of \$111,087 in 1926. Had the previous arrangement been in effect in 1926 the Hartford would have held the lead by a substantial margin.

Readjustments Shown

The premiums of Connecticut fire business increased from \$12,767,064 in 1925 to \$14,201,458. In 1926 the amount of

(CONTINUED ON PAGE 22)

and he is now being reimbursed by the companies. By the time the adjusters arrived the assured had already started repairs. Sears, Roebuck & Co. are building a fireproof structure adjoining Building 2 on the east, which will take care of the hazardous jannanning work so that this hazard will be largely reduced.

UNDERESTIMATE EXTENT OF INCENDIARY LOSSES

IS GREAT ECONOMIC WASTE

F. R. Morgaridge in Philadelphia Ad-
dress Questions Value of Spectacular
Fire Prevention Publicity Methods

PHILADELPHIA, May 25.—F. R. Morgaridge, assistant to the general manager of the National Board, was one of the speakers here this week at Pennsylvania Insurance Days. Mr. Morgaridge discussed incendiaryism and arson. He said that it is impossible to know what percentage of the total fire loss is really due to incendiaryism, but that undoubtedly a large part can be attributed to this cause. He declared that the fire of accidental origin is usually a slow burning fire and ordinarily an easy one to control, but a fire of incendiary origin in a building probably saturated with some volatile oil is a potential death trap. He said that more than 50 per cent of the firemen injured and killed each year in line of duty are in reality the victims of arsonists. Arson is a cold blooded crime. It cannot be committed in the heat of passion and accident cannot in any way contribute to it. It is the result of deliberate intention and preparation.

Underestimate Incendiary Loss

Mr. Morgaridge said that in his judgment most insurance men have a tendency to underestimate the actual incendiary loss. At the time of the last war when values were constantly rising, business was prosperous and the moral hazard consequently almost nonexistent, incendiary fires for insurance were few and far between. In 1920, the worst year of the readjustment period, business conditions were not satisfactory, failures and bankruptcies were widespread, and at that time the companies reporting to the National Board paid out losses for the year amounting to \$100,000,000 more than for either 1918 or 1919. He said that it is worthy of note that in any city in which there has been conducted a rigid investigation of incendiary loss with resulting publicity and convictions, the fire loss in that city has immediately shown a material and striking decrease. To substantiate this statement he cited the experience in Chicago, Detroit, Minneapolis, St. Paul, Bay City, Mich., and Dallas.

Questions Spectacular Methods

One of the interesting statements made by Mr. Morgaridge was to the effect that he sometimes wonders if the spectacular campaign being conducted against fires, with the use of striking lithographs, the more or less striking reels of motion pictures of fires and fire prevention, do not suggest to the subnormal mind or to the potential pyromaniac, and cause more fires than they prevent. He said that he could not substantiate this by any evidence, but that he was certain that any suggestion that may come to the mind of the average man from the newspaper account of the arrest, prosecution and conviction of an incendiary is certainly in the right direction.

Urge Model Arson Law

He told of the efforts that are being put forth by the National Board, the Fire Marshals' Association of North America, the National Fire Prevention Association, United States Chamber of Commerce and other organizations to secure the adoption of the model arson law, the strength of which consists of the fact that it includes not only those who set fire to and burn certain buildings, but also embraces in addition those who cause to be burned or who aid, counsel or procure the burning of these buildings. Practically all of the provisions of the model arson law are now embraced in the laws of the 11 states.

CONDENSED NEWS OF THE WEEK

America Fore group and Fidelity & Casualty unite in great fire-casualty combination with interchange of directors. **Page 7**

Companies sustain heavy loss by windstorm that swept central Indiana. **Page 7**

Wind losses mount as middle west is swept by series of tornadoes and storms. **Page 15**

Tax on insurance premiums in Ohio is increased from 2½ to 3 percent by governor's permitting Myers bill to become law. **Page 9**

Clyde Smith, prominent Michigan local agent, gets free publicity following dynamiting of school at Bath, Mich., by madman. **Page 9**

Meeting of the Insurance Advertising Conference was held this week at Hartford, Conn. **Page 9**

Relation between individual underwriters and the corporation Lloyds of London is shown in court decision in New York. **Page 8**

Allan Kennedy is elected president of the Arkansas Insurers Association at annual convention in Hot Springs last week. **Page 20**

Agents and brokers recognized in insurance arrangement between American Automobile and Motorists Association of Illinois. **Page 22**

Pennsylvania Insurance Federation conducted Pennsylvania Insurance Days this week. **Page 24**

F. R. Morgaridge discusses problems of incendiaryism and arson. **Page 8**

Commissioner John J. McMahan in address at meeting of South Carolina As-

sociation of Insurance Agents, argues that fire insurance companies are making large profits on investments of stockholders. **Page 14**

Rate increase denied by Texas insurance commission. **Page 7**

Dangers of rate regulation told in address by Ashley Cockrill before General Agents' Association. **Page 23**

Annual report of fire insurance in Connecticut is issued. **Page 8**

Association of Fire Insurance General Agents holds annual convention at Hot Springs. **Page 16**

Plan is evolved to combine Wolverine and Michigan Employers Casualty into automobile company. **Page 21**

Chicago Board establishes a department of research. **Page 26**

Annual meeting of New York State Association of Local Agents was held this week at Syracuse.—**Page 1 (insert)**

New York department rules on forgery bond credits. **Page 45**

Edward C. Stone, United States manager of the Employers' Liability, discusses the tools every agent must have. **Page 47**

The Metropolitan Casualty will increase its capital from \$2,500,000 to \$3,000,000. **Page 47**

Illinois premiums for stock casualty and surety companies last year amounted to \$51,305,932. **Page 46**

Casualty company executives study revised agreement in New York for solution of not-taken policy evil. **Page 45**

PREMIUM TAX IN OHIO RAISED TO 3 PERCENT

Governor Donahey Allows Myers
Bill to Become Law
in State

MAY SEEK COURT RULING

Insurance Interests Consider Attempt
To Abolish in Its Entirety Levy
On Cost of Protection

COLUMBUS, O., May 25.—Governor Donahey has permitted the Myers bill to become a law without his signature, saying it is necessary because of the state's financial situation. At a hearing in the state executive offices, Monday morning, which was attended by more than 100 insurance men from various parts of the state, Gov. Donahey was urged to veto the bill which raises from 2½ to 3 percent the state tax on insurance premiums collected in Ohio by foreign insurance companies. His decision to allow the bill to become a law was a bitter disappointment to the insurance interests.

Will Raise \$1,000,000

The bill was passed by the general assembly in the closing hours of the session, without the insurance men having an opportunity to express themselves on it. It was believed by many that while the bill was not fair to the insurance companies, it was enacted in hysteria which was the result of failure to agree on any tax measures, difference of opinion having developed between the executive and legislative branches of the government. The bill will raise \$1,000,000, its sponsors said. While the law affects only foreign insurance companies, it will hit Ohio insurance companies by virtue of retaliatory acts in the other states.

State Had Insufficient Revenues

Speakers before the governor were Jacob I. Wochrle of Columbus, a member of the Ohio house; H. L. Conn, former insurance superintendent; A. I. Vorys, former insurance superintendent, and George B. Chandler, secretary of the Ohio Chamber of Commerce. After the hearing the governor said he would give the bill his closest attention, but pointed out that with the state embarrassed financially, he was in a delicate position. He said he believed that the bill was unjust and unfair, but the alternative, with insufficient revenues, seemed to be for the state to repudiate its obligations.

Tax on "Thrift or Sorrow"

Mr. Conn told the governor that the legislature did not understand the insurance situation and did not know what it was doing when it passed the bill. He declared it was confiscatory and unconstitutional. He said that the bill was a tax on thrift and sorrow, as well, and that the policyholders, not the companies, would pay the cost. He urged the governor to take a clear stand on the bill, either signing it or vetoing it and not letting it become a law without his signature, as several other important measures have lately.

Tells of Big Insurance Interests

Mr. Vorys told of the vast insurance interests in Ohio, how much money is paid in insurance premiums, etc. He said that Ohio cannot take care of its own insurance and that in fact much of the insurance of the United States is reinsured abroad. He pleaded for both the life and fire insurance companies. It was pointed out by speakers

(CONTINUED ON PAGE 17)

MICHIGAN MADMAN STILL HAD FAITH IN INSURANCE

SENT HIS RECORDS TO AGENT

Mailed All School Documents to Clyde
Smith Before Touching Off Hor-
rible Schoolhouse Explosion

LANSING, MICH., May 25.—Stability of insurance as an institution commanding the greatest popular respect was dramatically, if tragically, demonstrated in the little village of Bath, near here, last week when Andrew Kehoe, demented murderer of 43 persons of whom 37 were children, showed before his own suicidal death that, of all human society, he possessed faith only in insurance and in one insurance man.

Revenge for Imaginary Wrongs

Kehoe carried out a deliberate and carefully planned scheme to dynamite the Bath consolidated school as a horrible revenge on the community for fancied wrongs of high taxation which had brought him indebtedness and was about to result in foreclosure of the mortgage on his farm. He was treasurer of the school board and had long shown interest in school affairs but had had a dispute with the board when it refused to remit any part of his school taxes. He was an expert electrician and familiar with explosives and it is believed that in his twisted brain he had long been entertaining some vague conception of engineering a blast which would settle his imagined score with society. At least it is known that he had been accumulating a stock of explosives for months and perhaps years and that he probably worked for weeks carefully wiring the fine, new school and placing under its foundations half a ton of dynamite, possibly augmented by pyrotol and gunpowder, the whole of which he hitched up with a hot shot battery, spark coils, percussion caps, and an alarm clock so that his huge infernal machine would reduce the school in a twinkling to debris and would probably wipe out all of its human inhabitants. Even the partial success of his plan cost more lives, perhaps, than have ever been taken maliciously in peace-time by a single individual.

Sent Records to Clyde Smith

But Kehoe retained, in the demonic writhings of his dementia, a rigid and meticulous honesty and a respect for insurance. At least, his action just previous to touching off the two blasts which sent 43 others with him into eternity, would indicate the truth of this supposition. For his last act previous to starting on his trail of death was to pack up in a discarded dynamite box all of the school financial records and to express them to Clyde B. Smith, prominent Lansing agent and member of the executive committee of the National Association of Insurance Agents. The mad man realized that, if he placed these records which showed his accounts balanced perfectly in the hands of the agent who had written his \$6,000 bond, required when he was elected school treasurer, that there would be no necessity for forfeiture of the bond when he committed his dreadful deed and that his reputation for honesty, at least, would remain inviolate. Kehoe even, sardonically in view of the tragic circumstances, enclosed a note to Mr. Smith, explaining in detail an apparent discrepancy of 23 cents.

Fearful Another Infernal Machine

When the state police, following the explosions at Bath, found that Kehoe had sent a package to the Lansing agent, a frenzied effort was made to locate this express consignment which, it was feared, might contain more death-dealing dynamite. But when the police finally located the package and their chief explosives expert opened it, only

PROBLEMS INVOLVED IN AUTOMOBILE INSURANCE

DISCUSSED BY R. I. CATLIN

Offers Suggestions in Philadelphia
Address for Increasing Spread
of Motor Car Coverage

PHILADELPHIA, May 25.—R. I. Catlin, secretary of the Aetna Life and affiliated companies, gave an address here this week in the course of celebration of Pennsylvania Insurance Day on various phases of automobile insurance. He discussed first the compulsory automobile liability situation, summarizing the compulsory law as it operates in Massachusetts. He then touched upon the New Hampshire law which goes into effect June 1, 1927. Under this law a claimant can request the court as a preliminary step to determine who is at fault in case of accident and if the court rules that the owner against whom action is being brought was responsible, it will then insist upon that owner's filing immediately with the court evidence of financial responsibility. Failure to do so will result in suspension of the operator's license as well as the registration of all cars licensed in that particular owner's name. It is hoped that "the responsible owners of automobiles registered in that state will desire to avoid being caught high and dry in the event they should be requested to furnish evidence of financial responsibility and for that reason it is anticipated such owners will voluntarily take out an insurance policy, a bond or arrange to file cash as security, with the proper state authority."

Other Laws Adopted

The Vermont law which also goes into effect June 1, 1927, is practically identical with the Connecticut law which went into effect January 1, 1926. Under the Connecticut and Vermont laws, owners may be required to furnish evidence of financial responsibility not only in cases where they are responsible for accidents involving personal injury, or property damage, but where they are found guilty of reckless driving, operating while intoxicated, evading responsibility or driving while their license is suspended or revoked. Under the Connecticut and Vermont laws only those held responsible for automobile accidents involving personal injury or property damage are required to furnish evidence of financial responsibility, whereas the Massachusetts law compels all owners to furnish this evidence, as a prerequisite to registration. Mr. Catlin said that Rhode Island has enacted a law which becomes effective June 21, 1927, and Maine has followed suit with a law becoming effective January 1, 1928, both of which are based upon the Connecticut plan.

Mr. Catlin gave attention to the steadily mounting loss ratios, especially on

(CONTINUED ON PAGE 10)

the painfully accurate records were disclosed.

The tragic occurrence at Bath had other insurance significance, it has been disclosed. For one thing, it has shown the general need for complete explosion coverage. While the loss of life was the irreparable and ghastly feature of the disaster in the little rural community, had the school district had explosion insurance, it would now be in position to replace the structure practically ruined by the maniac's act. It is pointed out by insurance men, also, that the publicity given the Bath tragedy is more than apt to prey upon other weak minds that perhaps are hiding similar revengeful motives and inferiority complexes and that other occurrences of the sort may follow in the wake of the Bath disaster. This aftermath, it is emphasized, might not deal so heavily in human life but it might cost far greater property loss.

INSURANCE PUBLICITY MEN MEET IN HARTFORD

Advertising Conference Members
Hold Annual Convention to
Consider Problems

ACTIVITIES INCREASING

President W. W. Ellis Tells of Various
Tasks Undertaken by Organization
in Past Year

By C. M. CARTWRIGHT

HARTFORD, May 25.—The annual gathering of the Insurance Advertising Conference was held here this week with a large attendance representing all branches of the business, fire, life and casualty. The program was well planned



W. W. ELLIS
President Insurance Advertising
Conference

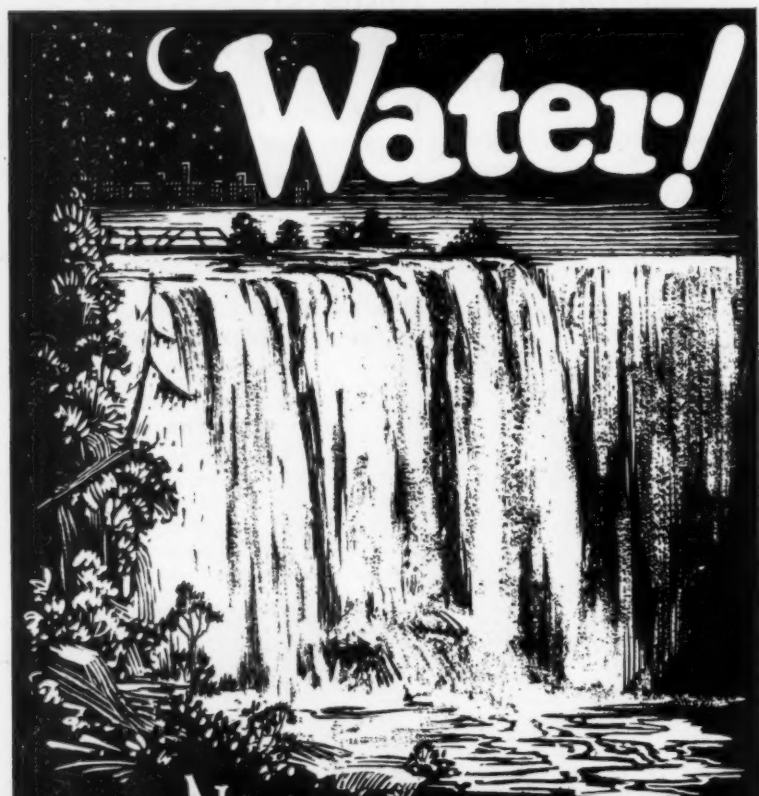
and balanced, with outstanding speakers on various subjects. The Insurance Advertising Conference is growing in power and effectiveness year by year. President W. W. Ellis of the conference at the initial business meeting Monday said it has greatly increased its membership. Today it is one of the most vigorous and constructive of the insurance organizations.

Has Done Important Work

Mr. Ellis said the conference was called on during the year to do some important work. The National Board of Fire Underwriters asked it to get up a report on public relations. This work took three months of research and analysis, 20 members contributing. A similar request was made by the International Association of Casualty & Surety Underwriters. This required four months and 25 members contributed. The Casualty Information Clearing House asked the assistance of the conference in devising copy for a special advertising campaign for automobile liability insurance. The National Association of Insurance Agents requested the conference to help in getting up copy that local boards could use. It is now at work on this assignment.

Had Fine Program


The local publicity men of Hartford put over a fine program of entertainment and business. J. W. Longnecker of the Hartford Fire had charge of preparing for the business sessions while Leon Soper of the Phoenix Mutual Life looked after the entertainment end. The



Water!

Niagara Falls
will run dry &
before an agency of
serious purpose will
voluntarily relinquish
representation of
**THE WORLD
FIRE and MARINE
INSURANCE COMPANY**

*There are many reasons why!
Ask any WORLD agent—
HE KNOWS!!*



Ralph B. Ines
President

An Insurance Service Extended to Everybody

The Insurance Information Bureau, maintained by the Aetna Insurance Company, The World Fire and Marine Insurance Company, and The Century Indemnity Company, will be glad to provide information on all insurance problems. This service is not only extended to agents and policy-holders of these three companies but to the general public as well.

Address requests for information to
INSURANCE INFORMATION BUREAU
670 Main Street Hartford, Conn.

entire affair was well planned and successfully carried out.

At the get-together dinner Sunday night, President Ellis presided. Brief talks were made by Mr. Longnecker, Mr. Soper, A. W. Spaulding of the Hartford Fire and W. W. Darrow of the Home of New York, secretary of the conference. Mr. Spaulding has just been elected president of the Hartford Advertising Conference.

Rough Notes Prizes Awarded

The London Guarantee & Accident secured the first prize in the Rough Notes trophy awarded to the company which in the opinion of the judges presented the most desirable advertisements in an insurance paper in a series of at least three runs. J. M. Haines, assistant manager from the head office in New York, who mapped out its campaign, was present to receive the trophy from A. J. Wohlgemuth, manager of Rough Notes. The Fidelity-Phenix Fire of New York won second prize, the work having been done jointly by C. E. Freeman and F. S. Innes. The Boston got third prize with R. C. Dreyer as the responsible person. C. S. S. Miller of the North British & Mercantile got honorable mention. There were 18 exhibits offered. The judges were Clarence Axman, "Eastern Underwriter"; Frank L. Gardner, president National Association of Insurance Agents, and Griffin M. Lovelace, vice-president of the New York Life.

Norman R. Moray, vice-president Hartford Accident & Indemnity, in his talk Monday said the duty of the publicity men is to interpret insurance terms and functions in language that the public can understand. He said that 50 cents out of every dollar circulated goes through insurance hands once a year. At Monday noon luncheon, with George E. Crosby of the Aetna Fire presiding, the speaker was C. J. Swan, New England representative of the New York "Herald-Tribune." He stated that insurance was wonderfully popularized by the war risk plan at the time of the war.

Sell by Attractive Ideas

Clifford Elvins of the Imperial Life of Toronto presided Monday afternoon. H. A. Lyon, assistant cashier in charge of new business and advertising departments of the First National Bank of Boston, described the advertising program of his company. Mr. Lyon is of the opinion that insurance companies and banks are both well on their way into public favor. He said that both have discovered that they must provide what the public wants and not just sell whatever they have on hand. He stressed the advisability of selling by means of attractive ideas rather than by trying to scare people into taking the desired action. He said that insurance advertising is getting away from the old fear motive and today is offering health and happiness instead of death and unhappiness. He said that many banks, as well as life insurance companies, are still talking about, "Save for a rainy day." This is a depressing thought. No one ever really imagines himself a "down and outer" sitting on a park bench, and for this reason the idea is not a compelling sales thought. He said that his bank has been successful in shifting that sales idea to "Save for a sunny day" with bright attractive copy urging saving for something attractive, a fundamental change which is just as applicable to life insurance advertising.

Utilize Window Space

Frederick L. Wertz, window display expert of New York City, in his address declared that local agents are losing a most desirable advertising opportunity by not using their windows for display of their wares. People, he insisted, can be sold through the eye as well as the ear. C. W. Van Beynum, publicity manager of the Travelers, said that advertising must have an emotional appeal but it must be tempered by reason. If the logical appeal is lacking, sales will not repeat. Advertising, he said, must tell the same story to the eye that the salesman does to the ear. A. W. Spaulding of the Hartford Fire introduced a set

of advertising questions and answers that brought out much practical information. Frank W. Pennell, one of the leading life insurance producers of New York City, spoke against high pressure, super-man salesmanship.

Waste Advertising Material

R. W. Smiley of the Metropolitan Casualty dealt with the agents that frequently liberally and recklessly make requisition for advertising material. He feels it is necessary for the advertising manager to apply underwriting methods and study the amount of material that could effectively be allotted to an agency and gradually swing the agent to a reasonable attitude. Dale D. Butler, a local agent at Middletown, Conn., gifted with a droll and whimsical sense of humor, gave a talk that elicited rounds of laughter.

A new section of the conference has grown up comprising the men interested in industrial life insurance. Under the leadership of J. J. Doyle of the Western & Southern Life, an interesting symposium devoted to this branch was held Monday evening.

Calls Methods Archaic

The Tuesday morning field day program of the Insurance Advertising Conference was entirely demolished by a downpour of rain. The noon luncheon was presided over by A. W. Spaulding of the Hartford Fire. Winslow Russell, vice-president of the Phoenix Mutual Life, introduced Ernest Elmo Calkins, the New York advertising expert and author. He took a loud, long and resounding whack at insurance companies for being archaic in their attitude toward advertising and publicity. He urged the directors to get rid of some vice-presidents and adding machines and put more human interest in their work.

Three Group Conferences

In the afternoon there were three group conferences. Harry Warner of the Maryland Casualty presided over the casualty group. Henry Swift Ives of the Casualty Information Clearing House told of the necessity of the companies establishing closer public relations. Three prominent Connecticut agents, Donald G. North of New Haven, James L. Case of Norwich and T. D. Faulkner of Hartford told about methods they pursued in local advertising. R. W. Smiley, Metropolitan Casualty, declared that most agents are advertising wise and want to know beforehand if it will do the trick before they will spend any money. C. E. Rickerd of the Standard Accident gave some interesting results that the company has recorded in its experiment with direct mail advertising.

Held Interesting Debate

W. W. Darrow of the Home was in charge of the fire insurance conference. John Pratt, special agent of the Home, said that greater results would come if more advertising would be done to help agents directly than by a national advertising scheme. The local agents, he said, are the producers. They must be kept informed and stimulated. The debate on "Resolved That Fear Is the Strongest Element That Can Be Used in Fire Insurance Advertising" was decided in favor of the affirmative. The affirmative was supported by J. W. Longnecker of the Hartford and W. W. Ellis of the national board. Ralph E. Morrow of Rough Notes and C. A. Palmer of the North American took the negative.

Argues for Fear Advertising

J. W. Longnecker of the Hartford Fire advocated the use of advertising based on the fear instinct. He said that the type of fear that is the strongest element that can be used in fire insurance advertising is not the abject fear of fire, or even of a most striking personification of fire, but rather the age old fear of the consequences of fire out of control. He argued that playing upon the fear of fire and its effects upon people would lead the public to guard

EMPLOYERS INDEMNITY CORPORATION

E. G. TRIMBLE, *President*

CASUALTY REINSURANCE
AND EXCESS INSURANCE
EXCLUSIVELY. A compre-
hensive service for Casualty Companies
and Life Companies which issue casualty
features.

Companies may negotiate with our Home
Office or with our Branch Office in their
territory.

HOME OFFICE
Insurance Building
KANSAS CITY, MO.

CHICAGO OFFICE
Room 731
166 W. Jackson Blvd.
Jack Woodhead,
RES. VICE-PRES.

NEW YORK OFFICE
85 John Street
Ehmann & Co.,
MANAGERS

Ask Me For The Facts

Questions

- 1—What is the leading industry in the United States today?
- 2—Who built the first gasoline propelled vehicle in America?
- 3—Who sold the first American automobile?
- 4—What is the World's automobile registration today?
- 5—What is the total registration of automobiles in the United States for 1926 within 1,000,000?
- 6—What is the estimated output for United States for 1927?
- 7—What percentage of homes own cars?
- 8—Are there more telephones than pleasure automobiles in the country?
- 9—How many cars per capita are there in the United States?
- 10—What is the total number of buses in the United States?
- 11—What is the nation's annual motor transport bill?
- 12—What percentage of automobiles are purchased on the installment plan?
- 13—What is the average life of an automobile, within six months?
- 14—What percentage of automobiles are insured? (a) against fire (b) against theft (c) against property damage (d) against collision.
- 15—When was the first policy insuring an auto issued?
- 16—Name the number of automobile thefts in the United States during 1926.
- 17—Why is it preferable to insure your automobile in a stock company?
- 18—If 4,000,000 new cars are sold this year and 64% are financed and 2,000,000 used cars are sold, 75% of which are financed, who insures the remainder?

Answers

- 1—The automobile industry comes first.
- 2—To Charles E. Duryea and Elwood Haynes goes the credit for building the first gasoline vehicle to successfully operate. The exact date upon which these pioneers first ran their cars is not recorded, but it was some time in 1892.
- 3—Alexander Winton on April 1, 1898.
- 4—Close to 30,000,000.
- 5—(a) Pleasure, approximately 19,500,000. (b) Commercial, 2,800,000.
- 6—In excess of 4,000,000.
- 7—70% have automobiles.
- 8—Total number of pleasure automobiles about 19,500,000. Total number of telephones about 17,574,272.
- 9—One car for every 6.5 persons.
- 10—Approximately 70,000.
- 11—It is estimated that America's annual bill for automobiles and expenses in connection therewith, including up-keep, gasoline, and other items, total \$14,500,000,000.
- 12—New pleasure cars 64%. Used cars and commercial vehicles 75%.
- 13—Statistically proven to be about eight years.
- 14—(a) Less than 33% are insured against fire (b) Less than 30% are insured against theft (c) Less than 15% for damage to property of others (d) Less than 2% for collision.
- 15—In June 1902.
- 16—130,000.
- 17—Because every sound business impulse dictates that an insurance policy like any other contract should definitely stipulate its cost and provisions at the time it is drawn. Do not place your clients at the mercy of fate, but protect them with a stock Company—sell them a Star contract.
- 18—This is for the Agent who is wide awake and aware of the facts to discover.

STAR
Insurance Co.
OF AMERICA

Executive Offices: 1 Pershing Square
Park Ave. at 42nd St., New York, N. Y.

Western Dept. CHICAGO Southern Dept. NEW ORLEANS Pacific Coast Dept. SAN FRANCISCO

THE COMPANY WITH THE L. & L. & G. SERVICE

against it or insure themselves against financial losses caused by it or both. Mr. Longnecker quoted various advertising authorities as to the value of the appeal to the fear instinct.

Danger in Unpleasant Associations

C. A. Palmer, advertising manager of the Insurance Company of North America, took the other side of the argument, declaring that while playing upon the fear instinct may be proper in warning an automobile driver of the dangers of railroad crossings, it is not very effective in creating in him a desire for positive action. In other words, it is difficult to scare a man into buying fire insurance. Mr. Palmer declared that he is more likely to act if an appeal is made through pleasant talks and pictures of security rather than unpleasant association with disaster. Psychologists say that human beings have a tendency to forget that which is unpleasant. Applying this idea to the sale of insurance, the use of unpleasant ideas in advertising is less likely to create a lasting impression and secure action than the use of the pleasant.

Shows Pleasantness of Security

Mr. Palmer declared that his own company in its advertising tries to visualize not the horrors of carelessness but the security that fire prevention and property protection can assure. He said that the company's agents bear witness of the usefulness of this type of advertising as an aid for their activities and an opening into new fields. He said that it is useless to try to play upon primitive instincts of fear in this age when mankind is advancing into a stage of reason rather than of instinct.

Avoid Increasing Moral Hazard

At the fire group meeting Tuesday afternoon Harold E. Taylor, advertising manager of the American of Newark, declared that it pays to advertise the agent rather than the company. He said that if one subscribes to the sentiment expressed by the National Association of Insurance Agents that expirations belong to the agent, it is of comparatively little value to talk company to the public. Mr. Taylor discussed the insurance business as it is seen by the layman. He said that the great trouble in the idea carried out by some local agents in advertising cash at the time of disaster is that the agent is apt to carry the thought too far and advertise some such thing as "We buy ashes." He said that this is good selling talk but that extreme care must be used to avoid increasing the moral hazard. He told of one agency that formerly made a practice of hauling every automobile wreck on which it had paid a loss to the office door and putting a sign over it reading: "Our policy paid for this junk." Auto losses materially increased in that region while this custom prevailed, but as soon as one of the adjusters was able to convince the agent of his folly the number of claims dropped to normal.

Had Ingenious Method

Mr. Taylor told of one local agent in a small town who arranged with a local newspaper for advertising in connection with every story of any disaster. Whenever the paper carried the story of a local fire, immediately following the story appeared three lines of small type reading: "Bill Jones, the local insurance man, writes dependable insurance. Better call him up now." The same idea was applied to automobile accident stories, windstorm damages, explosions, etc. This idea can be used only in small towns, but it proved very effective.

Had Prominent Speakers

E. C. Sparver of the Connecticut Mutual Life had charge of the life group. President James L. Loomis of that company gave a greeting. The main speakers were J. H. Castle, Graham, London Life; K. H. Mathews, Connecticut Mutual Life; H. H. Putnam, John Hancock Mutual; A. H. Reddall, Equitable Life of New York; Alice E. Roche

of the Louis F. Paret Agency at Camden, N. J.

At the banquet Tuesday evening, C. M. Cartwright of THE NATIONAL UNDERWRITER was toastmaster. The speakers were Insurance Commissioner H. P. Dunham of Connecticut, H. A. Calahan, New York City advertising expert and W. W. Darrow of the Home Fire of New York.

Howard P. Dunham, commissioner of Connecticut, said that the public relations side of the insurance advertising man's job is still rather neglected. He declared that the public does not understand the problems of the insurance company and that there is a need for a clear explanation of the business and its various activities.

Friendly Toward Insurance

Wednesday morning Matthew S. Sloan, president of the Brooklyn Edison Company, told of advertising work from the standpoint of the public utility. Mr. Sloan said that in his opinion as a layman, the public does not feel any fundamental antagonism toward insurance or any suspicion of it. On the contrary, though there may be a good deal of lack of understanding of the methods and even of the underlying principles of insurance, as is found in the attitude of the public toward any complex and technical business, he thinks the basic spirit of the public toward insurance and insurance companies is one of friendliness and even gratitude. He said that this is true not just when a claim has been paid, but that this feeling is built upon the knowledge that through insurance certain possibilities of misfortune have been discounted and that provision has been made to the extent of human ability to soften the blows of fate and make the future better than it would otherwise be.

Is Service Organization

Mr. Sloan said that the insurance company, like the public utility, is a service organization if anything at all. He declared that this is the idea that must be stressed. He stated that in his opinion the insurance companies are in about the same position in that respect as the public utilities, in that they have made progress but not progress enough for their own good. He said that the electric companies have proved that the way to sell kilowatt hours is by making their service the best they possibly can and then telling what it will do for humanity. By selling service rather than electricity, the public utilities are making tremendous progress. In the same way the insurance business should sell insurance rather than policies. He stressed the importance of liberal use of advertising space as the best means of carrying the message to the public. He said that public utilities and insurance companies have a great public duty to which they must live up. He stated that a bit of zeal is not out of place in promoting this public work, but that it is not necessary for the representatives of either to rate themselves as missionaries or evangelists.

Elvins Named President

The conference elected Clifford Elvins, Imperial Life of Canada, president; J. W. Longnecker, Hartford Fire, vice-president; W. W. Darrow, Home of New York, secretary-treasurer, and George Crosby, Aetna Fire, as one of the three commissioners to the International Advertising Association.

New Fire Prevention Film

Copies of "The Red Carnival," a new thrilling motion picture, sponsored by the fire prevention department of the Western Actuarial Bureau and filmed by Leon Morgan, who also co-operated in the production of the department's "Flaming America," will be ready for distribution in a short time. Among the striking features of the new film is a picturization of the Red Demon making entries, in a large ledger, of each added catastrophe due to fire.



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Depreciation irresistibly reduces values; slowly sometimes, but again swiftly—when some new invention makes a mechanism obsolete.

A property owner is misled by general percentages for computing depreciation. Rule o'thumb methods yield only figures, not facts. Facts may be secured only through expert analysis of depreciation factors.

Your customers cannot know their sound values without knowing "depreciation," and today's replacement costs. A Lloyd-Thomas appraisal will give them this knowledge, and the service of our experts is always at your disposal.

"WHAT IS AN APPRAISAL?"—It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

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JOHN H. GRIFFIN, President

1927

NORTHWESTERN

FIRE AND MARINE INSURANCE COMPANY
MINNEAPOLIS, MINNESOTA

Isn't it worth while

To know that you have a
company in your agency
that has the facilities
and desire to serve
you completely and
satisfactorily?

Fire Tornado Lightning Automobile Hail Rents Use and Occupancy

COMPANIES NOT LOSING MONEY, SAYS McMAHAN

Tells South Carolina Agents
That Present Profits Are
Adequate

CONSIDERS INVESTMENTS

Commissioner Claims Policyholders
Have Contributed Large Part of
Capital, Surplus and Reserves

CHARLESTON, S. C., May 25.—In an address before the South Carolina Association of Insurance Agents here today, Commissioner John J. McMahan charged that fire insurance companies are making generous profits, considering the original investments of the stockholders. He declared that a large part of the capital and surplus, to say nothing of the aggregate reserves, does not represent the investment of stockholders, but is composed of funds paid in by policyholders and included in stock dividends and increases in surplus. Mr. McMahan said in part:

"We are met in the city of Charleston, whose ancient pride recently underwent a rude shock when the increased fire insurance rates were applied to her as to every other city, showing our New York masters no respecters of persons. It is of no consequence that this city's loss ratio is about half that of the rest of the state. The just must suffer with the unjust. The wonder is how people are expected to be interested in fire prevention if they are to receive no tangible recognition of their exceptional record of merit. It appears to me that the first essential in rate making should be a classification according to records of places as well as of kinds of property. The subdivisions of fire experience should be considered more in detail and classifications and rates made accordingly. In such case, I am satisfied country property could not be outlawed for insurance as at present.

Wants State Control of Rates

"Fire insurance companies, with an average of about 59 per cent losses, lost 73 per cent for motor vehicles, 60 per cent for fire insurance business proper and 41 per cent for miscellaneous business. Motor vehicle rates should be made by the same authority that makes the fire insurance rates or the miscellaneous rates, and adjustments of charges to experience should be assured. Our present mode of receiving promulgated rates on different classes of insurance business is a patchwork system at best. The state should control the conditions and the charges of insurance within its borders and should link the management of rates with the fire prevention work, justifying the slogan that 'the insured makes his own rates.' It is not satisfactory to the insured in Charleston that this phrase means that the insured of the six southeastern states make the rate, with infinitesimal participation by the good people and the fire department of this city.

Studies Underwriting Losses

"As to the classic 'underwriting losses' of fire insurance companies, I will endeavor to lead you in a little study. It is noteworthy that the more distant the home office of the company the greater the losses. For 1925, our domestic companies had a loss ratio of 42 per cent; companies of other states, 60 per cent; companies of other countries, 61 per cent. The incurred losses for that year in this state exceeded the paid losses by \$473,535 or 13 per cent.

"The total finances of the fire insur-

ance companies of other states licensed in South Carolina show in round numbers capital of \$187,000,000, surplus of \$350,000,000, or total of \$537,000,000, and total unearned premiums of \$554,000,000. Thus the policyholders furnish more than half the fund for investment, even if we do not inquire how much of the surplus and of the capital has been accumulated from the operations of the business. It would seem, therefore, that at least half the investment profit should be credited as profits of the fire insurance business. The investment profit was more than \$91,000,000. This is more than 9 per cent profit on the \$1,000,000,000 in the hands of the companies. It is more than 17 per cent profit on the capital and surplus of the companies and nearly 50 per cent profit on the capital of the companies.

No Supervision Over Expenses

"The underwriting losses (excess of paid losses and of operating expenses over premiums received) were \$34,000,000, but we must remember that there is no supervision or other pressure to compel the companies to operate economically, but rather there is every inducement to them to spend lavishly, since the present rule for rate making offers a reward for excessive expenditures. I have not investigated whether the expenditures included dividends paid, which, if not included, would have offset the underwriting loss and left the total profits as stated above from the consideration of investment profits.

Claims Profit Was Liberal

"If we deduct the underwriting loss of \$34,000,000 from the investment profit of \$91,000,000, we still have great profits from the operation of the fire insurance companies (about 12 per cent on their capital and surplus and about 33 per cent on their capital alone). Again, let us not forget that most of the surplus and probably most of the capital represent accumulations from the policyholders' premiums and are not contributions by the stockholders."

Fire Waste Contest Entries

Following are the most recent entries in the Inter-Chamber Fire Waste Contest conducted by the National Fire Waste Council, under the auspices of the Chamber of Commerce of the United States: Defiance, O., and Eugene and Marshfield, Ore.

Home's Oklahoma Changes

O. L. Bemusdaffer has been appointed special agent in Oklahoma for the home and its allied companies, the Franklin and the City of New York. He will act as assistant to State Agent E. R. Smith and replaces Dennis Mitchell, who resigned a short time ago to assume another connection.

Report on General Covers

NEW YORK, May 25.—At the meeting of the executive committee of the Eastern Underwriters Association yesterday the report of the committee on general covers was accepted, the latter committee being asked to work out details in connection with its general plan, which clearly defines the types of risks to be written under fire and marine covers, thereby disposing of a problem that has agitated the fraternity for several years and of which the New York department was forced to take cognizance.

Hanawalt Called to Head Office

Stanley E. Hanawalt, formerly of Columbus, O., and traveling the eastern territory as general agent for the American System Company of Roanoke, Va., has been called to its head office as manager of its sales and advertising department. W. H. Heckrotte, who has covered the southern New Jersey and Pennsylvania field for the same corporation, has been named as its special representative in New England and the adjacent territory. The American System Company specializes in insurance accounting, record making and keeping, and has a system of accounting of peculiar value to agents and brokers.

TORNADO LOSSES ARE CAUSING APPREHENSION

Season's Windstorms Have Been Unusually Frequent and Widespread

ADJUSTMENT OFFICES BUSY

Swamped with Claims Which Are Still Coming in—Premiums Also Reported on Increase

Tornado writing offices are watching weather developments with anticipation these days, for each week seems to make this branch of insurance more unpopular and unfavorable, with possibilities looming of a record loss year, unless the storm clouds quickly clear away. In the face of a steadily and rapidly mounting loss ratio over a period of several years, this season's losses are watched with alarm, for though there have been no sweeping catastrophes such as have marred each of the past three years, there has been a startling total of small losses, following in rapid succession.

Is Troublesome Year

This has been one of the most troublesome tornado years encountered by the business, if not the most disastrous, which year-end reports may show. Except for the southern tornadoes and that at Poplar Bluff, Mo., there have been no sweeping tornadoes, but there have been so many heavy windstorms, scattered in all sections and coming upon the heels of each other, that the result has been alarming. Week before last it was Poplar Bluff. Last week it was Indianapolis. This week Illinois and Indiana were swept by severe storms, doing considerable damage in many sections about Chicago and northern Indiana. And between these storms there have been innumerable local storms throughout the country, doing no concentrated damage, but much in the aggregate. All in all it has been an unfortunate season and any sweeping tornado on top of the present loss situation, would prove a heavy blow to this class of business.

Adjusters who are in the field attempting to clear up the situation in the storm-swept area report that losses will

(CONTINUED ON PAGE 18)

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President

A. H. HASSINGER, Vice-President and Secretary

JOHN KAY, Vice-President and Treasurer

WELLS T. BASSETT, Vice-President and Secretary

JANUARY 1ST, 1927, STATEMENTS

ORGANIZED 1855

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ASSETS	CAPITAL	LIABILITIES	NET SURPLUS	SURPLUS POLICYHOLDERS
\$27,602,649.57	\$5,000,000.00	\$17,796,927.66	\$4,805,721.91	\$9,805,721.91

ORGANIZED 1853

THE GIRARD F. & M. INSURANCE CO. OF PHILADELPHIA, PA.

\$5,648,862.17	\$1,000,000.00	\$2,938,563.59	\$1,710,298.58	\$2,710,298.58
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ORGANIZED 1854

MECHANICS INSURANCE CO. OF PHILADELPHIA, PA.

\$4,452,703.00	\$600,000.00	\$2,748,734.22	\$1,103,968.78	\$1,703,968.78
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ORGANIZED 1866

NATIONAL-BEN FRANKLIN FIRE INS. CO. OF PITTSBURGH, PA.

\$4,725,350.94	\$1,000,000.00	\$2,702,814.94	\$1,022,536.00	\$2,022,536.00
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ORGANIZED 1871

SUPERIOR FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$4,600,981.46	\$1,000,000.00	\$2,598,996.65	\$1,001,984.81	\$2,001,984.81
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ORGANIZED 1878

CONCORDIA FIRE INSURANCE CO. OF MILWAUKEE, WIS.

\$5,261,240.09	\$1,000,000.00	\$2,942,034.49	\$1,319,205.60	\$2,319,205.60
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ORGANIZED 1886

CAPITAL FIRE INSURANCE CO. OF CONCORD, N. H.

\$724,764.95	\$300,000.00	\$733.34	\$424,031.61	\$ 724,031.61
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TOTAL ASSETS
\$53,016,552.18

TOTAL LIABILITIES
\$31,728,804.89

TOTAL NET PREMIUMS
\$25,001,307.09

PHILADELPHIA, PA. CONCORD, N. H. MILWAUKEE, WIS. PITTSBURGH, PA.

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Western Department
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SAN FRANCISCO, CAL.
Pacific Department
60 Sansome Street
W. W. & E. G. POTTER, Managers

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL



INSURANCE THOUGHTS from *A Carolinian*

Why don't more companies insure their goods before making shipment? Because local agents, as a rule, haven't talked up Transportation Insurance.

In many cases profitable relations can be established with good concerns. An investigation into the shipping activities of your section will indicate which of them are desirable clients and whether their volume of shipping

merits giving much time to soliciting the account. Some of the smaller shippers are worthy of attention now, because their business will develop to a profitable size later on.

When you secure these clients, place their insurance with The Carolina—a financially sound stock company, where agent-company relations are on a friendly basis.

—The Carolinian.



NEW YORK OFFICE
59 Maiden Lane

Progressive, well qualified agents will do well to consider The Carolina for representation in their agency.



TO INSURANCE AGENTS
AND BROKERS:

WE ARE MAKING APPRAISALS OF INDUSTRIAL ESTABLISHMENTS THAT YOU CAN USE WITH CONFIDENCE FOR THE PLACEMENT AND ADJUSTMENT OF FIRE INSURANCE. THESE APPRAISALS ARE BASED UPON A DETAILED INSPECTION AND INVENTORY MADE BY TRAINED ENGINEERS. COSTS TO REPRODUCE NEW, COSTS TO REPRODUCE NEW LESS DEPRECIATION AND INSURABLE VALUES ARE SHOWN. CLASSIFICATIONS CONFORM TO INSURANCE RIDER FORMS. WE DESIGN PLANTS, WE BUILD PLANTS, WE MANAGE PLANTS. OUR APPRAISALS ARE MADE, THEREFORE, FROM FIRST HAND INFORMATION. ASK US ABOUT THEM.

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By Thrasher Hall
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In "Hall on Adjustments," Mr. Hall starts with the policy, and clause by clause takes up practically every point which has to do with the adjustment of a loss. Every clause, and practically every angle of each question, has been threshed out and interpreted by the courts. Mr. Hall explains in clear, easily understood language, the attitude of the courts on each point, and, when there is a conflict between decisions of the various state courts, he makes clear the attitude of each. Full citations are made of all decisions, so that the book is really an index to court decisions on the subject.

The latter half of the book is devoted to special features of loss adjusting—waiver and non-waiver agreements, appraisals, arbitration, awards, non-concurrent insurance, court definitions of insurance terms, accounting in its relation to adjustments, the iron-safe clause, concluding with a chapter of "Facts Worth Knowing."

Particularly important is his discussion of "Apportionment of Non-Concurrent Insurance."

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INSURANCE OFFICE SYSTEMS SUPPLIES AND PUBLICATIONS

GENERAL AGENTS MEET IN ANNUAL CONFERENCE

Southerners Gather at Hot Springs
for Third Meeting of New
Organization

DISCUSS MANY PROBLEMS

Rate Regulation Was Outstanding
Consideration at Opening Session,
Led by Cockrill's Address

NEW OFFICERS ELECTED

President, James B. Ross, New Orleans,
First Vice-President, J. G. Leigh, Little
Rock.
Second Vice-President, George N. Hurt,
Atlanta.
Secretary-Treasurer, Douglass Watson,
New Orleans.

By W. A. SCANLON

HOT SPRINGS, ARK., May 25.—The annual convention of the Association of Fire Insurance General Agents opened here Monday morning, with an excellent representation of southern general agents present and an interesting program drawn up for consummation. The interest of these general agents in the affairs and responsibilities of the business in general was clearly brought out in their discussions of the important problems of the day.

Consider Rate Making

The address of Ashley Cockrill, prominent insurance attorney of Little Rock, on "Fire Insurance Rate Regulation," was the outstanding feature of the first session. At the conclusion of this address T. A. Manning, Dallas, expressed the sentiment of the members when he said this was the most intelligent paper he had ever listened to, that it showed most careful study. James B. Ross, New Orleans, suggested that the companies draw a standard regulatory law to be used by agents throughout the country, one which might be adopted in all states. He believes this would be a great help in getting passage of such a law.

Report Year's Activities

President T. L. Lauve, in his annual address, reviewed the growth of the association and commented on its activities since its organization a year ago. The membership has grown from eight members last year to 62 at the present time. He outlined the aims and purposes of the organization.

Albert J. Brame, chairman general welfare committee, in reporting for that body presented a chart showing the tremendous amount of premiums written through general agencies for the five year period 1922 to 1926 inclusive. He said the figures are surprising in volume and are so impressive that there can no longer remain any doubt, if any such existed, that the plan of operating through general agencies is an important factor, at least in some sections of America. He expressed the hope that the members, by exchanging views, may be able to effect economies to meet increasing costs and invited discussion and suggestions along this and any other line, especially at this time when facilities are being reduced. He said there is every reason for members to view sympathetically the motives actuating companies in reduction of unusual lines and careful scrutiny of operations. He called upon the general agents to lend their full assistance to the companies, looking toward reduction in fire waste and meeting other serious problems of mutual interest, which also affect public welfare.

The meeting got under way with

President T. L. Lauve, Dallas, in the chair. Following the invocation the address of welcome was given by J. K. Shepherd, Little Rock, response to which was made by T. A. Manning, Dallas, in the absence of T. E. Braniff, Oklahoma City, who was unable to be present. James B. Ross, New Orleans, who was chairman of the executive committee and one of the organizers of the association, spoke Monday morning, his subject being "The Association." He stressed the importance of association and the need of cooperation. C. J. Rogers, secretary-treasurer, read the minutes of the previous meeting. The secretary called the roll and it was found that there were 20 members present. There were eight members present at the first meeting in Chattanooga, and 16 were on hand at the New Orleans meeting last fall. Several members sent telegrams expressing their regret at being unable to be on hand at this year's meeting. Monday afternoon practically all of those present indulged in golf on the famous Hot Springs course.

Ross Is President

James B. Ross, New Orleans, was elected president of the association, J. G. Leigh, Little Rock, was chosen first vice-president, George N. Hurt, Atlanta, Ga., is second vice-president, and Douglas Watson of New Orleans was named secretary-treasurer.

There were two business sessions, one each morning. This left considerable time for the members to get together and become better acquainted with each other and exchange ideas. This is one of the important features of the organization, and the general agents took advantage of their opportunity throughout the meeting, it was very evident from the discussions and the interest shown that the members of this organization are vitally interested in the business from the standpoint of the company, the agents and the public.

The following resolution presented by T. A. Manning, Dallas, was adopted unanimously:

"The association goes on record that the general agents stand ready and willing to lend both their time and money to help the companies in legislative matters, and to assist in every way possible to improve conditions in the business from the standpoint of the companies, the agents and the public."

James P. Cravens, Houston, presented a resolution asking the General Agents Association to invite to its meetings company officials and department managers. It is sincerely hoped that these men will attend future sessions and take part in the deliberations. This resolution was adopted without a dissenting vote also.

The association has arranged to send \$100 to the American Red Cross to assist the flood sufferers.

The new officers will appoint the members of the executive committee. This committee will decide the date and the place for the next meeting.

The Little Rock general agents, J. K. Shepherd, J. G. Leigh and Messrs. Coates and Raines, proved excellent hosts. Excellent entertainment was provided their guests.

Julian Was Speaker

James P. Cravens, Houston, Tex., and Frank N. Julian, superintendent of insurance of Alabama, addressed the meeting Tuesday morning. Mr. Cravens made some intelligent observations and some worth-while suggestions for the good of the business.

The address of Mr. Julian on "Departmental Matters and the Cooperation of Departmental Officers with the General Agents" brought out some interesting material. He covered his subject in an excellent manner.

J. G. Leigh, Little Rock, spoke briefly Tuesday morning, telling of the work of the general agents in Arkansas during the past several years, in heading off legislation which would be adverse to the companies and in the assistance rendered in obtaining helpful legislation.

Monday evening there was a dinner and a dance. Harvey T. Harrison,

Little Rock, spoke at the dinner in a most entertaining way.

The secretary's report showed that the finances of the organization are in good shape.

Bruce Bullion and M. T. Harrison, former insurance commissioners of Arkansas, and James S. Maloney, present commissioner, were in attendance Tuesday.

President T. L. Lauve presided at all sessions. He was a good presiding officer. He introduced the speakers in a very pleasing way. His comments on subjects under discussion were intelligent and to the point in every instance.

PREMIUM TAX IN OHIO RAISED TO 3 PERCENT (CONTINUED FROM PAGE 9)

that the new tax places Ohio at the top of the list. While several other states have a tax as high, deductions are made under various conditions which really bring it down. More than 2,500 letters and telegrams have been received by the governor protesting against the bill.

Representative Woehrle said that he voted for the bill because he was told that it would not affect Ohio insurance companies and that the state needed the money. Mr. Chandler declared that business men generally are opposed to the measure.

May Go to Courts

Intimation was given in a memorandum submitted by Russell Knepper, representing various insurance organizations, that the law would be attacked in the courts and that an effort would be made to do away with the 2½ percent which the state is now collecting. It was charged that this was unfair and really should never have been tolerated by the insurance companies. The fire companies, it was pointed out, are really paying more than the life companies as they must keep up the state fire mar-

shal's office. It also was declared that the state insurance department is collecting for licenses, etc., much more money than the expenses of the department justify.

Governor Donahay's Statement

The following statement was issued by the governor in permitting the Myers bill to become a law without his signature:

"The constitution makes it the duty of the general assembly to provide for revenue for the state government. In the closing hours of the recent session, the assembly passed House Bill 510, levying a tax of .6 of a mill on all the property of the state, and House Bill 512, increasing the tax on premiums of foreign insurance companies, and then recessed for five minutes, which action in the past four years has meant adjournment. I am opposed to both these laws, but the general assembly saw fit to pass them, instead of adopting methods I recommended to meet the deficit in the treasury, created by previous repealing of taxes and increasing of appropriations, and for that reason I deem it my duty to allow them to become law without my signature. Even with the revenues thus to be raised, despite my veto of \$4,000,000 in the general appropriations act, the prospective deficit in the treasury will be \$6,000,000 by Dec. 31, 1928. The legislative session having ended, I am compelled to accept these measures or see the credit of the State of Ohio repudiated."

Order of Liquidation

The court of common pleas of Dauphin county, Pa., has issued an order for the liquidation of the Pittsburgh Fire, whose business has been reinsured in the National Liberty.

Court (in divorce case): "Whom do you prefer to live with, my boy, your father or your mother?" "With whichever gets the automobile."



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INDIANAPOLIS TORNADO CAUSED HUGE LOSSES

(CONTINUED FROM PAGE 7)

due to water and mud are going to be heavy and have not been arrived at.

Homer G. Meek, state agent of the London Assurance, estimates his losses at \$10,000. James A. Bawden, state agent of the American, says that they have made a careful survey of the territory affected and believe their losses will total around \$30,000. Mr. Bawden says if agents could go through the storm area and hear the pitiful stories of ruined homes and the sweeping away of lifetime savings they would be sold on the responsibility of making their clients realize the importance of carrying windstorm insurance just as liberally as they do fire.

The area of heaviest loss in Indianapolis is bounded on the north by Michigan street, one the east by Dearborn, south by Washington and west by Walcott street. There are blocks in this area where there is not a house left standing and the property loss in a single block would total \$100,000 or more.

Compensated by New Business

The public utilities suffered heavily. The pumping plant of the Indianapolis Water Company at West Washington street and the river, a brick structure, was wrecked, a 250 foot brick smokestack also being blown across a part of the building. The Bell Telephone Company estimates its loss in wires, poles and labor at \$100,000.

The destruction of automobiles was especially notable, in many places cars having been piled up in heaps, as many as 13 being counted in one of these piles.

Outside the direct trail of the storm, which was about two to three blocks wide, heavy and destructive winds blew toward the storm from north and south which resulted in minor damage to property and the loss of many shade trees in all parts of the city.

The local agents are reaping a harvest of tornado insurance premiums. Some of them have large signs placed over their offices and many are running large advertisements in the papers. It is estimated that the influx of premiums will go far toward covering the amount that will be paid out by the companies in losses.

SOME DAMAGE IN ILLINOIS

PEORIA, ILL., May 25.—The same storm which struck Indianapolis as a tornado cut a path through Illinois and Iowa, doing particular damage in the immediate vicinity of Peoria. In Peoria alone the damage is reported by some to be at least \$1,000,000, although that estimate may be too generous. The insurance loss here will not be large, however, as few of the companies appear to have incurred losses under their windstorm policies. The greatest part of the damage in Peoria was the result of the cloudburst and flood and particularly the hail damage. One office alone had 300 loss claims filed under tornado policies, but the adjusters found that none of these were windstorm losses, but strictly hail losses. There were some minor windstorm losses and some of the offices reported some insurance loss in the storm, but others incurred no loss at all so that the total will be small.

Another Storm This Week

Damage was done in isolated cases throughout Illinois and Iowa and adjusters are carefully investigating the claims filed, though in a surprising number of cases the claim has been discovered to be a hail loss and not a tornado loss.

This section was not only hit by the same storm that struck Indianapolis, but again this week a severe windstorm swept from Iowa across Illinois and into Indiana, doing considerable isolated damage. It is too early to estimate the extent of the insurance loss in the last storm, though the companies will feel

it. In most cases minor damage was incurred, but in some cases houses were unroofed and buildings seriously damaged.

IOWA ADJUSTERS BUSY

DES MOINES, IA., May 25.—An unusually large number of losses caused by recent storms have swamped insurance adjusters in Sioux City territory the past two weeks. Few structures were completely destroyed and most of the losses were small, consisting largely of doors blown off, roofs damaged, or similar destruction. The noteworthy fact is that a large number of losses were not covered by insurance. Adjusters point out that many whose circumstances would permit them to carry plenty of tornado and windstorm insurance do not do so. They add that suffering would be tremendous in case a disastrous tornado should sweep the vicinity, and thousands would be without any means of being repaid for loss on homes or household goods.

Many Adjusters at Work

B. A. Orr, manager of the Indiana branch of the Western Adjustment Co. at Indianapolis, says that his office is handling 600 of the windstorm losses in that city and some 10 adjusters from outside have been brought in to help, making a fleet of 16 in this field. That the number of claims will total around 2,500 is judged from this fact. The other adjustment companies, bureaus and individual independent adjusters are all busy and most of the local agencies are handling some of their own losses. Mr. Orr believes the insurance loss will not exceed half a million and that the total property loss may be considerably less than the first estimates of \$3,000,000.

Reduce Loss Estimates

George Lyster, state adjuster for the America Fore group, has headquarters in the English hotel and says that it is too early even to make an estimate as to the total losses for his companies. He says that the handling of the claims is not fully organized as yet. In his opinion the aggregate property loss will be under \$2,000,000.

C. D. Lasher, state agent of the Home, says the total losses for the Home fleet will probably run over \$50,000. Their largest single loss is on the Kentucky and Oliver Realty Company building which is occupied by wholesale grocers. This is a large brick building and much damage was done to the

TORNADO LOSSES ARE CAUSING APPREHENSION

(CONTINUED FROM PAGE 15)

probably not be as high as originally anticipated, except in the city of Indianapolis itself, where the losses will go into the millions. One agency in that city alone reports a \$300,000 loss. Otherwise the losses are mostly isolated cases and not severe from a loss standpoint. They are, however, a burden to the adjustment offices which are now swamped with the tornado claims. The Western Adjustment alone has 16 adjusters in Indianapolis, in addition to those required in the Illinois and Ohio territory and the large number still at work in the vicinity of Poplar Bluff, Mo.

This has been one of the busiest seasons for the adjustment offices from a tornado standpoint, but fortunately the fire losses have abated during this storm season, so that they have been able to handle the situation without detriment to the regular program. Whether there is some psychological connection or not, the adjustment offices are beginning to find that quite consistently fire losses abate when the tornado losses are demanding the maximum attention of the offices. This is perhaps fortunate for the loss department, both from the standpoint of adjustment work and loss payments.

The recent storms have also clearly

building and contents, as the walls were partly blown down.

F. C. Deggendorf, state agent of the National of Hartford, estimates his windstorm losses at \$40,000. The National had a part of the Indianapolis Water Company line and heavy damage was done at the West Washington street pumping station, where the building was partly destroyed and a 250-foot brick smoke stack was blown down. The National also had the Sommers furniture store line, where stock was damaged by water as the roof was partly blown off the building.

The North America was also interested in the Water Company loss, the insurance on which is written in Philadelphia. Outside this individual loss the North America's losses are running exceedingly light and it is believed will not exceed \$10,000. The Philadelphia Fire & Marine losses will run between \$12,000 and \$15,000, according to present estimates, and the Alliance between \$6,000 and \$8,000.

brought out the need for agents placing the hail rider on all tornado policies, as hail losses have been reported in many sections without protection existing and resulting in much confusion and misunderstanding between assureds and adjusters. Particularly is this true in the vicinity of Peoria, Ill., where rain and floods and hail combined to do far more damage than the wind itself. As a matter of fact, the Peoria tornado losses are negligible, the bulk of the losses being water damage and hail. One Peoria office alone had 300 claims filed, but all were found to be hail and not wind damage—and uninsured. This leaves the Peoria agents in an unpleasant position with their clients. As the companies in most cases have not had flood coverage in that section and the agents had not given the attention they might have to the hail rider, the actual losses to the company will probably not be large, although the adjustment difficulties will undoubtedly be even larger than would be the case were the cash payments of disastrous proportions.

Taking the entire middle west as a whole, it is just too early to even estimate the aggregate tornado loss. While the adjusters have been swamped as they have seldom been in the past except for some outstanding catastrophe, it is not felt that the total loss payments will reach such disastrous proportions. The losses will be high, of course, but so many of the claims filed are for minor losses that the aggregate may be greatly reduced, when the tabulation is completed. Adjusters are finding that policyholders are rapidly learning to file claims for any and all losses, with the result that many small claims are filed today, whereas in years past the policyholders would have repaired their small losses themselves and failed to file a claim. Also, the more widespread coverage of today exposes the companies naturally to many more of the minor losses.

Is Good Advertising

One underwriter pointed out that the silver lining in this cloud is to be found in the unusual advertising of this tornado season. Often the companies are faced with some disastrous tornado which results in tremendous loss payments, but which is confined to a very definite territory, so that the great mass of prospects are not given the object lesson of the windstorm. This year violent storms have been reported in practically all sections of the country. There have not been many disastrous tornadoes, but the serious wind damage has been severe and frequent storms in all sections have brought before practically all available prospects the story of tornado insurance. In many sections it is believed that the large volume of new business written as a result of the storm may be sufficient to offset the heavy loss payment. This would not be true, of course, in such a case as the loss at Poplar Bluff, but it is believed that even in Indianapolis, where the loss total will reach a high figure, the new business written by the offices may be sufficient to offset the tornado losses of last week.

In connection with the storm at Peoria, Ill., it is interesting to note that the damage, which was largely flood damage and may total \$1,000,000, was uninsured because of the owner's failure to recognize their hazard. Only last year one of the companies which wrote flood insurance then but has since discontinued that line, made an inspection of Peoria and sought to insure the very plants now hit. They laughed at the idea then, but they can now recall their laugh with a grimace, for their assurance of safety has been a safeguard in this instance only to the insurance company which sought to protect them. This has been the difficulty always and the basic reason for the company's retiring from flood insurance. Prospects could not be made to see their danger until the water was actually rising and those who did insure were mostly in places that were subject to repeated floods. Thus no average could be secured and the companies had to withdraw.

INDIANAPOLIS IS HARD HIT BY TORNADO



Property damage estimated at \$3,000,000 was incurred in the tornado that hit Indianapolis last week, with much damage also reported in other cities of Indiana. This picture gives an airplane view of Jefferson and Hamilton avenues in Indianapolis, where the most serious effects of the storm in that city were felt.

MEET DIFFICULTIES IN FARM STORM LOSSES

Situation Creates New Problems for Companies Writing This Class

ARE FELT MORE KEENLY

Restrictions of Fire Lines Have Reduced Tornado Premium Income Where Needed

The tornado loss situation this year has brought to light among the farm companies that have greatly restricted their farm writings by retiring from unprofitable states and sections a problem that is engrossing the attention of a number of company officials. Up to May 1, the companies writing farm business had a fairly good year. Then came a series of storms that have knocked all the calculations into a cocked hat.

Many years ago when companies writing farm business operated over a wide territory, they got a spread on their tornado business. In fact, the old timers took the ground that a company in order to make a profit on its tornado business had to operate in a number of states. The theory was that it was impossible to get an average on tornado insurance in a limited field.

Conditions Are Changed

In years gone by the tornado end of the farm business was regarded as velvet. The loss ratio was small. While companies reinsured down their farm fire lines most of them wrote the entire tornado without ceding any to other companies. After a storm, companies would send a crew of farm specialists into a field and write hundreds of dollars of tornado business thus recouping the loss suffered. Gradually farm agents got in the habit of writing the combined fire and tornado policy until today there is no locality which can be said to lack tornado insurance from a farm standpoint. All farmers that carry insurance take the combined line.

Loss With Every Storm

So well insured have become the farmers from a windstorm standpoint that any severe wind now causes a serious loss. The fact that the farm agents were writing the combined policy so successfully gradually spread to the towns and many town agents now write storm insurance as freely as they do fire.

There is no chance now of recouping tornado losses after a storm by writing new business for farmers because almost all carry insurance. The fact that but few companies have reinsured their tornado lines has caused a heavier loss ratio on a net basis than a similar fire insurance loss would have presented. It can be said that from a tornado farm standpoint there is a "conflagration hazard" in every agricultural community in the central west. A storm is destined to cause farm companies a heavy loss if the blow is at all severe.

Lost Valuable Lines

In order to properly absorb a tornado loss of any proportions, farm companies will need to have now a proportionate tornado income. While they have pulled out of states and sections because of the fire hazard they have lost the tornado business going with it. Of course in these sections the tornado loss ratio was no worse than anywhere else, but in chopping off the fire business the tornado premium income has greatly suffered.

The problem confronting farm under-

writers now operating in a somewhat limited section is whether they can overcome this so-called tornado "conflagration hazard" through reinsurance or will the reduced income keep the tornado loss ratio up to a high point. While a farm man can underwrite his fire business and control his loss ratio to a great extent there is not so much underwriting he can do from a tornado standpoint. The fact remains that what was supposed to have been the profitable end of farm insurance has now turned about and become a high loss ratio factor.

PROBLEMS INVOLVED IN AUTOMOBILE INSURANCE

(CONTINUED FROM PAGE 9)

liability, property damage and collision coverages. He said that claim frequency and the average claim costs are increasing whereas the trend of the level of rates for some years has been downward. He held the companies partly responsible, declaring that many of them are prone to throw underwriting judgment to the wind when it comes to the matter of considering a sizeable piece of business. Many companies are not following any systematic plan of underwriting the individual owner. Mr. Catlin also said that companies and agents must take a keener interest in safety movements, especially those looking to-

ward the reduction of traffic accidents. He is of the opinion that companies and agents through rendering of safety service should endeavor to salvage such risks as would otherwise have to be cancelled due to bad experience. Mr. Catlin also presented a strong argument for the abolition of full coverage collision insurance. He said that in view of the apparent necessity of increasing collision rates year after year it will be only a matter of time before those companies writing the bulk of automobile insurance will agree to eliminate the full coverage collision feature and will write in its stead a deductible form.

Should Reflect Efficient Underwriting

In discussing automobile rates, Mr. Catlin said that rates should reflect efficient underwriting and should be as reflective of actual experience as possible. He said that in order to increase materially the spread of owners of automobiles who carry insurance, the companies must, as far as possible, make the rates defensible as well as attractive. In considering automobile finance business he declared that a great deal might be accomplished toward the solution of the problem of writing fire and theft insurance on time payment cars if plans could be provided for writing single or one interest fire and theft coverage following somewhat along the

lines now applying to the writing of single or one-interest collision coverage. He said that a special committee is at present working on this problem.

PLANS TEXAS TOUR FOR BLUE GOOSE GRAND NEST VISITORS

MILWAUKEE, May 25.—Grand Welder Paul E. Rudd has worked out a pleasure trip through Texas in connection with the Blue Goose grand nest meeting in Dallas, Oct. 25-27, and has laid his plans before the ponds which might be interested.

It is Mr. Rudd's idea to take the Panama Limited from Chicago the evening of October 18 to New Orleans, going from there to Houston and Galveston, Tex., Laredo, Mexico, San Antonio, and Dallas, reaching that city Oct. 25.

One day would be spent in each city visited in Texas and perhaps two days in Mexico. The party would leave Dallas the evening of Oct. 27, returning to Chicago. Entertainment would be provided at each city by the local Chambers of Commerce and by the Blue Goose ponds at New Orleans, Houston and San Antonio. By arrangements with the railroads, the train fare and Pullman fare will be about the same as if one went directly from Chicago to Dallas. A complete carload would be necessary for the low Pullman rate.

What Wins Battles?

There would have been no Waterloo for Napoleon had he had knowledge of a sunken road. Probably most of the world's decisive battles have been lost because someone blundered. Every victory depends upon knowledge. The man who knows is the man who wins.

FREE Two of these Valuable Bulletins Use The Coupon

1. Advertising by an Agent.
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If you are not successful in your campaign for insurance—if you are not writing the so-called fire insurance side-lines—it may be that you are losing your battle because you do not KNOW.

The Insurance Producers Bulletin is your battle map—your sure guide to success. With it you can go to your prospects and present them with the facts and give them the latest up to date reasons why they should buy the particular coverage. You can present new insurance with confidence because you have the facts. Every ten days subscribers of the Insurance Producers Bulletin get a sort of a battle map dealing with some vital phase of insurance and insurance selling.

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To See Is To Be Convinced

Once you use the Insurance Producers Bulletins you will never want to be without them. That is why we are so anxious that you send in the coupon for sample bulletins. These samples will convince you of their value. When agencies, large and small, send in voluntary testimonial letters and when these come in literally every day you have a pretty good indication of the value of the bulletins. Such agencies as the Neckerman Agency of Madison, Wis.; F. L. Greeno & Co., Inc., at Rochester, N. Y.; The General Insurance Agency of Warren, Ohio, have sent us enthusiastic letters praising the Insurance Producers Bulletin. Why not join the ranks of the Insurance Producers Bulletin users by using the coupon today.

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GEO. CARTER, Editor

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An Essential to Service

I do not see how an agent can undertake to advise his client properly without service such as yours—

Chris J. Muckerman,
Vice-Pres. and Gen. Mgr.
Muckerman & Cushman,
St. Louis, Missouri.

Could Not Afford to Be Without Them

Some one appropriated the Burdick Agency's Bulletins and so they write:

We can not afford to be without these missing bulletins. Send us duplicates... a new policy—
V. J. Burdick & Sons,
Detroit.

INSURANCE PRODUCERS BULLETIN, N. U. 5-26	
665 Insurance Exchange, Chicago, Ill.	
Gentlemen:	
Without obligation on my part, please send me, free of all charges, Bulletin No. and No.	
Name	State
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A Company for Good Agents

Twenty-two years of continuous progress have molded a reputation for the Home Fire Insurance Company of Arkansas that commands the confidence of every local agent. From an idea in 1905 this institution has grown to one of \$1,750,711.46 assets and \$500,000 paid up capital.

Wherever the Home Fire is located you will find a satisfied agent.

We have excellent agency opportunities in Arkansas, Louisiana and Mississippi.

Home Fire Insurance Co.
of Little Rock, Arkansas

J. E. COATES

E. E. RAINES

COATES & RAINES

GENERAL AGENTS

THE STRONGEST GENERAL AGENCY IN THE UNITED STATES

Little Rock, Arkansas

Agency Established Jan. 1st, 1877

C. F. CUNINGHAM

GENERAL AGENT

Fire and Kindred Lines

DETROIT FIRE AND MARINE INS. CO.

Could Represent to Mutual Advantage Two Additional Stock Companies
LITTLE ROCK, ARK.

Chartered 1865

The Reliable Fire Insurance Company of Dayton, Ohio

Capital\$250,000.00
Surplus to Policyholders
over\$960,372.00

W. H. Kuhlman, Pres. Wm. F. Kramer, Sec'y
A. R. Preisendorfer and H. J. Favorite,
Special Agents

**NEW
NICOLLET
HOTEL
Minneapolis**

The Northwest's
finest — 600
rooms with bath
or connecting.

Every room an outside room. Finest
Ballroom in Northwest. Every facility
for conventions up to 1,500.

ROOMS	
59 at \$2.00	257 at \$3.50
85 at 2.50	41 at 4.00
84 at 3.00	38 at 5.00

Suites and Special Rooms at \$6 to \$9.
W. B. CLARK, Manager

You've heard it said that National Underwriter want ads are results-getters. **THEY ARE!**

KENNEDY NOW HEAD OF ARKANSAS ASSOCIATION

Elected President of New Organization to Succeed
Coffee

AGENTS IN LIVE SESSION

Many Interesting Addresses and Considerable General Discussion
Marked Convention

OFFICERS ELECTED

President—Allan Kennedy, Fort Smith.
Vice-President—Sid B. Redding, Little Rock.
Secretary-Treasurer—C. C. Mitchener, Marianna.

BY W. A. SCANLON

HOT SPRINGS, ARK., May 25.—The 45 or more agents members of the Arkansas Insurors Association, the youngest of all the state associations affiliated with the National Association of Insurance Agents, who attended the second annual meeting of the Arkansas organization at Hot Springs last Friday, were well repaid for the time and expense of the journey. Undoubtedly, more members would have been present were it not for the recent flood and storms in Arkansas.

Association Is Active

The Arkansas Insurors Association is just about one year old. It was founded last year when some 30 members of the Arkansas Association of Insurance Agents seceded because the state association would not back up the National association in its stand against the further extension of bank agencies. The new association as reported at this year's meeting now has 62 members. It is confidently predicted that before the next annual meeting takes place the membership will show a large increase. Within the next 12 months, a special drive will be made for new members. Local boards will be formed throughout the state. It is also the plan to hold regional meetings, all of which should prove beneficial to the association.

General Discussion

The program presented at Friday's gathering was almost an ideal one. There were only a few set speeches, and these speeches were interesting and instructive. The agents had plenty of time for a round table discussion among themselves. The afternoon session proved so interesting that it was after 6 p. m. before the meeting adjourned.

The association adopted a resolution setting forth the qualifications for membership in this new organization, and a resolution expressing its deep sympathy over the death of C. I. Hitchcock of the "Insurance Field."

While the resolution outlining the qualifications for membership does not say it in so many words, however, it is plain to see that the members of the Arkansas Insurors Association are determined not to have as members bank agents who will not approve of the position of the National association regarding the further extension of bank agencies.

Much of the afternoon was given over to an executive session for only members of the association.

Kennedy Is President

Allan Kennedy of Fort Smith was elected president for the ensuing year. Sid B. Redding, Little Rock, was chosen vice-president, and C. C. Mitchener of Marianna was retained as secretary-treasurer.

Mr. Kennedy is now a member of the

executive committee of the National association. He has been a member of the Arkansas Insurance Agents Association since its inception some 28 years ago. During all these years he has taken a great interest in the affairs of the state and National association. The position of president is not by any means a new one for him. This makes the seventh time he has held the position of president. The members felt that at this period a man of Mr. Kennedy's ability was needed to steer the organization, and Mr. Kennedy has agreed to accept the office and put forth his every effort for a successful administration.

Mr. Redding, the vice president, is one of the few agents in Little Rock who is in no way connected with a banking institution. He is a newcomer in the association ranks, and is much interested in the organization.

C. C. Mitchener, Marianna, secretary.



ALLAN KENNEDY
President Arkansas Insurors Association

treasurer, has demonstrated over a period of years his ability to fill this office.

Coffee Is Retiring President

H. D. Coffee, president of the association, presided at all sessions. Mr. Coffee was made president of the association several months ago, when Raymond Cooper, the first president, entered another line of business and severed his connection with the association.

Following the invocation and the reading of the minutes of the previous meeting, the president's address was given. He reviewed the work of the organization during the past year. He urged all the agents to live up to the new credit ruling which goes into effect in Arkansas June 1. He recommended the organization of more local boards. He pointed out the vast amount of good that accrues from the holding of regional meetings.

Secretary-Treasurer Mitchener's report showed that the association now has a paid-up membership of 62.

Commissioner Was Speaker

J. S. Maloney, the new insurance commissioner of Arkansas, spoke briefly to the agents Friday morning. He pointed out that the insurance department and the agents' association have many things in common; he said that close association will result in much good. He urged the agents to appoint a legislative committee and suggested that this committee be composed of high grade men. He said that it is important that the legislative committee get in contact with the members of the legislature as soon as possible. He told the insurance men that many of the laws are lax, and that the fault lies upon the agents, and not the law makers. He said the agents have not been diligent in presenting their claims as they should have been. He said that in his judgment the companies have demonstrated their desire to settle claims

in an equitable manner. He promised the agents that it was his intention to accord fair treatment to the companies, the public and the agents.

Rental values, rents, leasehold insurance and use and occupancy was the subject of a discussion led by Wendell Robertson of Robertson & Shadrack, Fort Smith. He defined the different forms used in the writing of this business and outlined briefly some of the methods in securing this business. He explained the needs of these coverages and showed where the prospects were.

Giberson Praised Agents

J. A. Giberson of Alton, Ill., chairman of the finance committee of the National association, brought a message from the national body to the Arkansas agents. Mr. Giberson said that he knows that the members of the Arkansas Insurers Association are in the right, and that in his opinion all members of the national organization feel the same way. He told the agents that they had led the fight against the unethical practices of certain insurance companies; he assured those present that they were on the right track and that the National association was with them until doomsday. He said that in his opinion it was much better to have 60 real insurance agents than 1,000 so-called insurance agents. In his talk Mr. Giberson stressed the necessity of agents rendering service to the public. He cautioned the agents against looking only at the commission side of the business. He said that if a man will give real service in all cases, he need not worry about the commission.

Touces on Agency Cost

Mr. Giberson urged the members to fill out the agency cost questionnaire recently sent out by the National Association. He touched briefly on the wholesale insurance plans, particularly those of the automobile manufacturers. He read to the agents a statement with reference to the practices of the Firemen's and the Girard Fire & Marine, in appointing and maintaining as agents a financial institution in competition with established agencies; and with reference to the practices of the Northwestern National in the matter of the ownership of expirations. This is the statement which was presented to the mid-year conference of the National association by the executive committee at Chicago on April 20 of this year.

Have New Collection Rule

Joseph V. Ferrari of Fort Smith addressed the agents Friday afternoon on the "New Collection Ruling." Arkansas now has a credit ruling which goes into effect on June 1. It is one of the few states that has such a ruling. Mr. Ferrari told how the Fort Smith agents will apply the mechanics of this ruling.

In a brief talk Allan Kennedy touched on the now famous Milwaukee resolution. He said there is no reason in the world why insurance agents should continue to write for the companies that are fighting the agents. He said that his agency at Fort Smith had the matter under consideration for three years before resigning the agency of the Firemen's. He said that when they finally resigned this company he and his partner both felt that they had regained their self-respect.

Mr. Kennedy reported on the mid-year conference at Chicago. He stressed the importance of organization. He said the time has come when we must get together. He stated that it is a duty of each agent to render the utmost service to the public and to fellow agents.

Discuss Local Boards

Guy R. Farris spoke on "Local Boards and Regional Meetings." He pointed out the many advantages of the local board in a town. He said that a local board elevates your profession, you automatically have the respect of the public. He told the agents that "when you become a member of a local board you feel that you are a bigger and broader man." He said that the com-

ALLIED OFFICES PLAN TO CONSOLIDATE RESOURCES

SEEK TO MERGE COMPANIES

Wolverine and Michigan Employers' Casualty to Be Combined as Full Coverage Automobile Carrier

LANSING, MICH., May 25.—Efforts to consolidate the resources of the Wolverine and the Michigan Employers' Casualty of Lansing are nearing fruition it was indicated here this week when it was announced that stockholders would be asked, at a special meeting June 1, to approve plans of the directors for abandoning the latter company as a separate entity in order that the Wolverine may be strengthened and the efforts of its organization may be unified and concentrated on automobile lines.

Various Plans Considered

Various schemes for eventual merger of the two running-mates have been under consideration for some time but it was difficult to find a plan that would meet with the stipulations of the Michigan laws which require complete separation of fire and casualty company organizations. The moving spirits of the company were rather loath to discard the casualty company altogether as it was the original carrier and the first workmen's compensation underwriter formed in this state after passage of the compensation law. Figures on compensation business profits as compared with automobile profits, however, swayed the scale in favor of the latter line and it was finally decided that the simplest and best thing to do would be to drop the compensation business entirely and merge the auto casualty lines assumed by the casualty company with the fire lines handled by the Wolverine, the two combining in an automobile company, which, under Michigan laws, can write all automobile lines but can handle no other types of business.

Robert K. Orr, president and manager of both companies, announced the decision reached by directors this week in issuing the call for the meeting. The plan favored, he said, meets with the full approval of Commissioner Livingston and complies with the state's laws to the letter.

panies' experience in towns where local boards were established was better than in towns where there are no local boards. He pointed out that the personal contacts derived from membership in a local board are invaluable. He recommended that regional meetings be held during the year, and the organization later on approved of this recommendation and is making plans for holding many such meetings within the next twelve months.

Following the address of Mr. Farris, there was an executive session for only members of the association. J. D. Dunaway of Conway, chairman of the nominations committee, made his report Friday afternoon and the officers selected by his committee were elected.

Just before the close of the meeting, J. A. Giberson spoke on "Agency Systems and Costs—Direct Mail Advertising." This is a subject that is near and dear to the heart of Mr. Giberson. Needless to say, his talk was most interesting. He has probably given as much time and thought to these subjects as any man in the business. Further than that, he has demonstrated that his ideas are workable.

The time and the place of the next meeting of the association will be decided by the incoming officers and the executive committee.

Friday evening the agents and their guests attended a dinner and dance at the Arlington Hotel. This proved a very successful affair.

The JUNIOR BROADCASTER

VOLUME V

LE ROY, OHIO

No. 4

Editorial

QUESTIONS and answers are the popular note, among insurance men as well as others. Ohio Farmers agents ask 'em and answer 'em as they have in the past.

For example, Ohio Farmers representatives and the agents of other companies have been asking questions about Rent and Rental Value insurance. In answer, we have sent out copies of the Ohio Farmers pamphlet covering that interesting and profitable line of insurance.

We Ohio Farmers in Le Roy don't claim to know more about Rent and Rental Value insurance than other folks but we have made a study of that form of protection and we are willing—gladly willing—to answer the questions you ask about it.

We believe that Rent insurance should receive more attention than it does. We believe it is a profitable line for companies, agents, and insureds. And we believe that when it is understood as clearly as is fire insurance, it will be universally written.

So send in your questions about Rent

and Rental Value insurance or ask for the Ohio Farmers pamphlet on the subject. You will get a reply promptly.

OHIO Farmers agents need not necessarily send requests for information or for service to the Home Office at Le Roy. Eastern representatives are in close touch with their special agents and with the office of E. K. Schultz & Co., Philadelphia, General Agents. In New York City W. L. Perrin & Son are at the service of metropolitan brokers.

In Chicago, Alexander Smullan & Co. offer their facilities to brokers and agents. On the Pacific Coast, Harris & Watson, Inc., of Los Angeles and San Francisco, and Charles B. De Mille of Seattle, maintain the same intimate contact with the local producers.

In Ohio and Indiana, eleven fieldmen are constantly at the call of agents of the Old Man on the Fence.

So, wherever you are, if you represent this seventy-nine year old Company, you may expect prompt, helpful answers to your questions.



—Fire—

—Tornado—

TO BUILD UP YOUR ASSETS

We offer an improved plan of reinsurance called

SPECIFIC EXCESS REINSURANCE

You retain most of the gross premiums, which enables you to build up your assets more rapidly

Full protection against losses over and above a fixed limit

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Reserves	\$1,619,403.66
Surplus to Treaty-Holders	950,404.22
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Save the Time and temper of your clients by using



The COMBINATION AUTOMOBILE INSURANCE HANDBOOK

The little vest-pocket companion which is
COMPLETE—Rates for Public Liability, Property Damage, Collision, Fire and Theft at a glance all in one place.

CONVENIENT—Fits the vest pocket without annoyance. New pages easily and quickly inserted.

TIMELY—Revised pages issued promptly, not periodically, showing new information and changes; always up-to-date.

COMPREHENSIVE—Rates for all passenger and commercial cars in general use.

EFFICIENT—Rates for all major coverages readily found in one operation.

ATTRACTIVE—Pleasing and dignified in appearance. Has the substantial aspect of the bound book and the flexibility of the loose-leaf.

DURABLE—Will not become solid-looking and "dog-eared." Constructed to withstand unusually hard and constant usage.

ECONOMICAL—Worth while savings effected in time and effort and at nominal cost.

SCOPE OF EDITIONS

Editions are offered covering either the Eastern, Southern, Western or Pacific district.

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Page Size, 2½x4½ in., loose-leaf. Wing binders of either press-boards, fabricoid or limp leather at proportionate charges.

Quotations gladly submitted upon request, stating quantity required and district covered.

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A Dependable Company

Agricultural
Insurance Company
of Watertown, N.Y.

Organized 1859

NATIONAL LIBERTY Insurance Company of America

Head Office, Eastern and Western Depts.

709 Sixth Ave., New York

Statement—January 1, 1927

ASSETS	\$19,115,332.88
CASH CAPITAL	1,500,000.00
PREMIUM RESERVE	9,167,654.77
RESERVE FOR LOSSES, and All Other Liabilities	1,382,985.00
SURPLUS TO POLICYHOLDERS	8,564,683.11

BROKERS PROTECTED IN AUTO CLUB PLAN

American Automobile Makes Arrangements With Motorists Association for Insuring Members

CUSTOMARY COMMISSIONS

Standard Rates Apply and Neither Club
Nor Officers Have Any Interest
In Business

Cooperation by insurance men with motor clubs on a new plan is shown in the announcement of an arrangement just completed between the Motorists Association of Illinois, at Chicago, and the American Automobile of St. Louis. The club has no interest of any sort in the insurance and all agents and brokers handling automobile insurance for members will get the customary brokerage commission.

The sole appeal of the plan is in its unified service, says President L. A. Harris, of the American Automobile. The business will be written through the Motorists' Association Insurance Agency, which will be managed by George H. Lauerman, widely known Chicago insurance agent. The insurance agency will have its main office in the club building on south Michigan Avenue, Chicago, and will also maintain an office at 1647 Insurance Exchange. Members of the club who prefer any other company can place their insurance in that company through the club agency.

Avoid Insurance Opposition

Hugo Meyer, manager of the Motorists' Association, had been trying for some months to work out an insurance plan agreeable and acceptable to the insurance fraternity, while at the same time giving the club members insurance service. After a long study of other plans it was decided that a standard rate company paying the customary commissions would overcome the opposition of the insurance men while the full coverage would meet the requirements of the members. As the inter-insurance exchanges of automobile clubs are private enterprises of the officials or others close to them, except in a few cases, it was concluded there is no reason why the club should have any financial interest in a stock company connection. Therefore no commission will go to the Motorists Association nor to the manager.

Club Holds No Strings

In many attempts that have been made in Chicago and elsewhere to link an automobile club with a stock company, the club has felt entitled either to a commission or a reduced rate. However, other clubs get no profits from the reciprocals run by the officers, and as the reduced rates of reciprocals are balanced by the personal liability of members, the logic of a standard stock company connection without any strings was finally recognized.

The American Automobile's arrangement with the Motorists Association of Illinois is believed to be the first one of the sort that involves neither reduced rates nor special inducements to club members, and does not infringe the right or impair the interest of agents or brokers. With objectionable features of the insurance arrangement entirely eliminated it is expected that the many thousands of insurance men of Chicago will be inclined to support a club that does not use unfair advantage in taking the automobile business of their customers.

In commenting upon the new ar-

rangement, Hugo Meyer, secretary-manager of the Motorists Association of Illinois, says:

"In automobile club work, we realize that for their best interests and protection motorists need insurance, especially liability and property damage insurance. No motorist can afford to be without it. It then becomes a question of having the best possible protection when an accident occurs.

Stock Insurance Safe

"It is after years of study of this problem that our directors have come to the conclusion that the only absolutely safe automobile insurance for our members is stock company insurance. It is our frank opinion that any other form than old line stock insurance for a motorist today is asking the motorist to gamble in the event of a loss. Reciprocals and mutuals, tried by other organizations, where one man controls funds without any capital investment of his own and directs policies regardless of results to the policyholder only for the money which he can derive through a position as attorney-in-fact or manager of a reciprocal or mutual, lend hazards which may result in drastic or severe losses to motorists."

NORTH AMERICA IS NOW LEADER IN CONNECTICUT

(CONTINUED FROM PAGE 8)

this business written by Connecticut stock companies, however, decreased from \$2,849,897 in 1925 to \$2,668,368 in 1926. This decrease appears to be due to the large recession in the premium income of the Automobile and to the fact that certain Connecticut companies have organized subsidiaries under the laws of other states and are sharing their business with these subsidiaries. The losses on Connecticut business increased from \$5,809,520 in 1925 to \$7,001,153 in 1926 or 20.55 percent. Of the total premiums on Connecticut business, 14.2 percent were received by mutual companies incorporated in this and other states. This was an increase of more than 4 per cent over 1925.

Good Investment Gains

The figures for the total business of all companies licensed to do business in Connecticut show a continuance of the same tendency which has been apparent for the last two or three years—the companies in general have shown large losses from underwriting. These losses, however, have been more than offset by profits on investments and appreciation of assets. The interest received from invested assets has been just about sufficient to care for the dividends declared. The excess of investment profit over underwriting loss has enabled the companies to show a substantial increase in surplus. In 1926 the underwriting loss for 256 companies included in the statistical tables of the Connecticut report was \$16,900,432. This was a better showing than in 1925, when the loss was \$21,674,682. The ratio of losses incurred to premiums earned was 56.53 percent in 1926 as against 57.33 per cent in 1925. The interest and rent income was \$73,744,655. This was almost identical with the amount of dividends declared, which was \$73,663,054.

The net profit on investments was considerably lower than last year, being \$109,000,000 in 1926 as against \$119,000,000 in 1925. As a result of the year's operations, the companies showed a total gain in surplus of \$30,340,221. The gain in 1925 was \$50,869,768.

Losses Were Higher

The stock companies of Connecticut showed an underwriting loss of \$18,968,350 for 1926 with a percentage of losses incurred to premiums earned of 64.30. This was slightly less favorable than 1925, when the loss ratio was 63.59.

The interest and rents earned by the Connecticut stock companies amounted to \$10,887,023.07 and the net investment profits were \$17,000,521.43, while the dividends declared amount to

(CONTINUED ON NEXT PAGE)

WARNS OF REGULATION IN MAKING OF RATES

Fire Insurance Rating Was Subject of Address by Ashley Cockrill Before General Agents

CITES DANGERS LOOMING

Says Extension of Present Inroads of States May Lead to Serious Difficulties

LITTLE ROCK, ARK., May 25.—A comprehensive review of fire insurance rating and state control of rates was made by Ashley Cockrill in an address before the Convention of the Association of Fire Insurance General Agents at Little Rock yesterday, being presented as a warning of the impending difficulties in this connection as well as an appeal to the insurance fraternity to guard their interests in the future. Mr. Cockrill is a prominent Little Rock attorney who has been active in insurance litigation, particularly in connection with the famous rate case in his state some years ago, and he carefully analyzed the rating situation as affected by the various rate cases before the

courts of numerous states and the United States Supreme Court.

Of Recent Origin

The history of fire insurance rate laws was briefly summed up by Mr. Cockrill in his introductory remarks. It was shown that the entrance of the state into this phase of insurance is of comparatively recent origin, the real trouble for the fire insurance companies not actually starting until 1909 when Kansas passed a rating bill authorizing the superintendent of insurance to lower or raise fire insurance rates. That important case was carried through to the United States Supreme Court which held against the fire companies, stating that the insurance business was so vested with a public interest that the states had the right to control rate making. Mr. Cockrill pointed out that there was a very powerful dissenting opinion written in that case which has since been taken as the majority opinion in a rate case affecting theatre ticket sales, though the insurance phase remains unchanged at present. Since the adoption of that rating law by Kansas, other states have followed suit in rapid succession, until in 1924, all of the states with the exception of 12 had enacted some kind of legislation on this subject. The state laws vary in forms, from very strict regulation of ratings, as exemplified in Missouri to the formal approval by the insurance commissioner of the rate adopted by the companies themselves.

Anticipates Difficulties

It was pointed out by Mr. Cockrill, however, that the difficulties in connection with fire insurance ratings are but be-

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(CONT'D FROM PRECEDING PAGE)
\$5,964,000. The figures are not far different from last year.

Among the other interesting figures shown in the report are the following: The percentage of agent's compensation to premiums was 23.05 which was about one-half of one per cent less than last year. The percentage for Connecticut stock companies was 24.60. The percentage of underwriting expenses to premiums was 42.23 per cent, as against 41.89 per cent for 1925.

The average rate of premium charged per \$100 of insurance on Connecticut business was 84 cents. Last year it was 86 cents. The average rate for Connecticut stock companies in 1926 was 73 cents.

The dividends paid stockholders represented 18.82 per cent on the capital stock, an increase of 3.14 per cent over 1925. In the case of United States branches of foreign fire companies, the gross remittances to the home offices exceeded the gross receipts from the home offices by \$6,772,389.40. The total unearned premium reserve on Dec. 31 was equal to 89.36 per cent of the premiums written during the year.

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gining and that the not distant future may see important developments in this connection. The Missouri rate case which is now before the Supreme Court will prove of vital importance in this connection. Should the high court decide against the companies, it may be taken as a signal for action in many other states and lead to a general disturbance in the fire insurance business such as the companies have not yet experienced, even in years of disastrous conflagration.

In the review of the various cases of rate litigation, Mr. Cockrill brought out the important phases insurancewise and directed attention to the dangers before the companies in continued regulation of this nature or the development of even more strict regulations which is not impossible nor improbable, if the developments of the past continue.

Defines Proper Methods

He pointed out that the matter of first importance is that the insurance commissioner should not be a rate maker, but that in his investigation of rates he should be limited to the past as the business was actually done. He should simply approve or disapprove the actions of the past and in no way guide the companies in their planning for the business of the future. He said that just as it is a mistake to make of an insurance commissioner a rate maker, so is it also wrong to permit other companies raising rates without his consent. He pointed out that it is also just as important not to give to the commissioner the power to control raising in rates by way of refusing to approve them as it is to make him a rate maker in the first instance.

Mr. Cockrill also said that the use of earned premiums as income and incurred losses and expenses as outgo is the only way to reach a real profit or loss, and that premiums received and losses paid are inequitable and unjust.

Discusses Investment Profit

He further said that no part of the investment profit or loss should be considered, because that is a separate line of business with which the policyholder of a stock company has no concern. He said that a policyholder can with no more justice claim that his premiums should be low or nothing at all because of investment profits than could the companies claim the right to increase premiums because of the investment losses. Consideration of the investment profit in rate making was said by Mr. Cockrill to be in violation of the principles of the federal constitution and a procedure not in keeping with American form of government and operation of business.

Mr. Cockrill concluded his remarks with a suggestion that those engaged in the insurance business can do much to guide legislation in the right direction and protect the insurance business from the inroads of unjust legislation, citing as example the work of Arkansas underwriters in connection with their rating bill, the accomplishment of Louisiana underwriters in the enactment of their new rating law and the repeal of the Tennessee valued policy law.

Went After the Business

When the Marquette National recently was ordered liquidated without reinsurance there was considerable activity among agents for the business. In Chicago several offices were on the alert and rapidly rewrote the policies. Ellis & Holland, general agents at Des Moines, called up all their agents on the long distance telephone as soon as the liquidation order was known and succeeded in binding a large number of Marquette risks. One agency had over 2,000 Marquette National policies in force, involving payment of more than \$15,000. The assured were given binders to cover until they had time to call in person and arrange for new insurance. Unexpired policies will be filed with the receiver for unearned premium claims without expense to the policyholder.

FIRST COOPERATIVE CONVENTION SUCCESS

Meeting Sponsored by Six Leading Insurance Associations of Pennsylvania

DELEGATES NUMBER 1,500

W. S. Diggs, of Pittsburgh, Is Elected President of Pennsylvania Insurance Federation for Coming Year

PHILADELPHIA, May 23.—Pennsylvania's first cooperative insurance convention, sponsored by six of the leading insurance associations in the state, opened with one of the largest registrations in history with 1,500 delegates present. The meeting was opened by Chester M. Campbell of the home office of the Insurance Company of North America, the delegates being welcomed by George W. Elliott, director of public safety for the city, former fire marshal and one time life insurance underwriter. Thomas B. Donaldson, vice-president of the Eagle Fire of Newark and former insurance commissioner of Pennsylvania, replied for the convention assembled.

In the first formal address on the program, E. C. Stone, United States manager of the Employers Liability, pointed out the necessity of keeping the "sure" in insurance, with no obligation more sacred than that of paying 100 cents for every honest dollar's loss covered by policies. "If we prove worthy of ourselves in learning thoroughly at least the fundamentals of this great business of ours, we shall secure a proper respect for our business and thus do far more in this way than in any other toward creating in the public mind a better feeling toward insurance," Mr. Stone said. "With this plain duty ahead of us let us diligently apply ourselves to learning the essentials."

Incendiarism Causes Loss

F. R. Morgaridge, assistant to the general manager of the National Board of Fire Underwriters, pointed out that a considerable part of the \$500,000,000 annually lost in fires throughout the country is due to incendiarism. "The time is fast approaching when all public authorities and fire prevention agencies will recognize that fire prevention campaigns must of necessity be a crusade against the incendiary," Mr. Morgaridge concluded.

"Captain Lindbergh is termed 'lucky' in the press reports of his flight across the Atlantic, but in my opinion he is no luckier than any insurance man or business man who carefully plans the detail of a campaign—as the captain did—and succeed," J. Elliott Hall, New York general agent for the Penn Mutual Life, said in his address on insurance salesmanship. "Success in all endeavor is based primarily on the ability to foresee and plan for contingencies, and the insurance salesman can well take Captain Lindbergh's careful preparations as a criterion for successful accomplishment."

Sessions Educational

The afternoon sessions were replete with educational features for the delegates, round table discussions on fire, casualty, surety, and life insurance taking place in separate meetings.

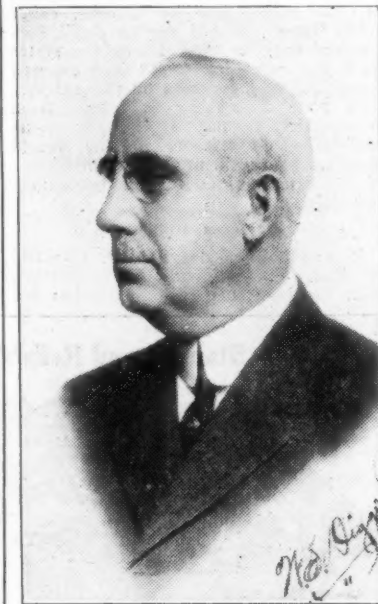
Commissioner Matthew H. Taggart of the insurance department of Pennsylvania announced in his address at the night session that this department would be expanded considerably during the next year. Two deputies will be appointed shortly, one to have headquarters in Harrisburg, and the other in Philadelphia, with the examining force

in the latter city increased to 30 from the present staff of 11.

Work, Responsibility Grow

"As my experience in the department increases, I become impressed with the magnitude of the work and the responsibility I share with you gentlemen of the insurance fraternity," Mr. Taggart said. "We of the insurance business stand at par with banking in point of numbers of institutions, but in money assets and coverage the sums of money involved pyramid beyond the field of the bankers' vision, almost beyond comprehension. Disregarding the monetary value, we come closer to the public interest than any other business or industry in the commonwealth, because there is nothing in the commercial world today that has not its roots of success in the insurance field."

"Consequently, we cannot help being impressed at the department with our responsibilities of regulation and supervision of a business that contributes millions of dollars in taxes alone to the



W. S. DIGGS, Pittsburgh
New President Pennsylvania Federation

maintenance of the state. One company alone recently paid through the department a check for taxes that closely approximated \$2,000,000."

Commissioner Taggart urged upon the members of the six associations present the necessity of their hearty cooperation in the departmental work.

G. R. Dette Honored

G. R. Dette, retiring secretary of the Insurance Federation of Pennsylvania, was presented with a watch and chain by a few of his associates in appreciation of his work. Mr. Dette announced that while he left his position as executive secretary of the federation, he had been continued in office as vice-president at the directors' meeting held in the afternoon.

Officers of the federation elected at the meeting are W. S. Diggs of Hoover & Diggs, Pittsburgh, president; Frank D. Buser, general agent of the Fidelity Mutual Life in Philadelphia, first vice-president; John D. Pharaoh, II, treasurer. New directors elected are W. H. Kingsley, vice-president Penn Mutual Life; W. R. Harper, general agent Aetna Life, Philadelphia, and Earle Schaeffer, general agent Fidelity Mutual Life at Harrisburg.

Mr. Diggs, the new president, has been prominent in federation activities. It is interesting to note that 15 years or more ago, when he was a resident of Cincinnati, he served as president of the Insurance Federation of Ohio.

The business session on the first night of the convention closed with a banquet and five hours of entertainment given to the delegates by Charles H. Holland,

president of the Independence companies. It was the consensus of opinion that the convention, participated in by the six major associations of the state on a cooperative basis, was the most successful ever attempted, and that the insurance fraternity had benefited materially through the educational and entertaining endeavors of those responsible.

This morning's program was devoted to a meeting of the National Fire Waste Council, Pennsylvania section, of which W. M. Goodwin of Bethlehem, Pa., was chairman. G. R. Dette, former secretary of the Insurance Federation and now assistant vice-president of the Commonwealth Casualty, is district chairman of the council for Philadelphia. Rollin Clark, assistant manager of the insurance department of the United States Chamber of Commerce, delivered a report on the Chamber's 1926 fire prevention contest, in which he extolled the Pennsylvania cities for their record in the campaign.

E. C. Lunt Talks on Surety

"Suretyship is the guardianship that follows us from the cradle to the grave," according to E. C. Lunt, vice-president of the Great American Indemnity. "There is scarcely the same interpretation when we speak of surety as when we talk of casualty. We surety men regard casualty writers as babes in swaddling clothes. For instance, we of the surety business have a happy faculty, it is alleged particularly in my case, of requiring a principal to deposit with us an equivalent of his bond in gold bar, specie or bullion before we will give a bond."

"While we say this humorously, it is yet a fact that no bonding company, properly managed, will take a risk unless fully secured by a guaranty or guarantor against possible loss. In short, in the bonding business we refuse to recognize the possibility of a risk of loss. We work on the theory that the principal on bond is the maker of a note, and the bonding company is the endorser of that note, provided the principal proves his responsibility."

Mr. Lunt then described a day in ordinary life of a man in the street, whose bath, breakfast, travel to his office, dinner and transportation, employment and entertainment are all covered by surety bonds of some nature.

Former Commissioner Speaks

Thomas A. Donaldson, vice-president of the Eagle Fire and former insurance commissioner of Pennsylvania, reviewed the close contact between the Insurance Federation of Pennsylvania and the insurance department of the state from 1920 to 1926, and spoke on the essentials or fundamentals in furthering the work of a volunteer organization of insurance men and women.

"The Federation planned from its origin to ally the three major groups of coverage—life, fire and casualty—and all types of carriers into one actively for the betterment of insurance interests generally and to be active though non-partisan in local, state and national politics," Mr. Donaldson said.

Haste Has Caused Defeat

"During the last two or three years some of our American volunteer insurance organizations, especially the agents' associations, have plunged into national or state campaigns in an effort to accomplish something, but they failed to use the foresight. They failed to see that the outcome, especially when recourse was had to courts of record, might be a boomerang."

"Whatever the Federation has achieved—and it has done much—has been achieved quietly. Never has it started anything it could not finish or which lacked a worth-while result. Meddling with insurance statutes, rushing to an insurance department for a ruling on matters a department is not concerned with, campaigning on issues which are purely local or of momentary importance, attacking conditions which but represent the natural growth of

(CONTINUED ON PAGE 26)

CHANGES IN THE FIELD

TRANSFERS BY RHODE ISLAND

C. E. Bleckley to Cover Kansas and Oklahoma—H. J. Whittier Gets Kentucky and Tennessee

Clarence E. Bleckley has been appointed special agent for the Rhode Island, Merchants of Providence, Guaranty Fire of Providence and the Union Fire of Paris, to cover Kansas and Oklahoma, with headquarters at Wichita, Kan.

H. J. Whittier will be transferred from that territory to take charge of Kentucky and Tennessee, with headquarters in Louisville, Ky., replacing G. E. Head, who retires on account of impaired health.

R. W. Kelsey

Henry W. Gray, United States manager of the London & Lancashire and president of the Orient of Hartford,

announces the appointment of R. W. Kelsey as special agent for both companies in Maine and New Hampshire. Mr. Kelsey, who will establish headquarters at Portland, has had an extended experience both as an inspector and as special agent and is unusually well equipped to serve the companies with which he has now associated.

A. D. Olds

A. D. Olds has been appointed state agent of the National Union for Minnesota excepting Minneapolis and St. Paul. He will maintain headquarters at the company's branch office in the Metropolitan Bank building, Minneapolis. Mr. Olds for the past five years has been connected with the Westchester Fire, travelling in Wisconsin.

Vernon L. Eaton

Announcement is made of the appointment of Vernon L. Eaton as special agent in Oklahoma for the Home fleet.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

NATIONAL'S NEW SECRETARIES

Charles L. Miller and Charles C. Hewitt, formerly assistant secretaries of the National of Hartford, who were elected to be secretaries last week, are both widely experienced in the insurance field.

Mr. Hewitt, who is a native of Chicago, had his initial insurance experience as an inspector and rater for the Chicago Board, later serving in a similar capacity with the Western Canada Fire Underwriters' Association. For four years he was manager of the inspection bureau at Fort Wayne, Ind., and then became chief rater for the Missouri department. Mr. Hewitt served in the World War and after the armistice entered the service of the National as state agent in West Virginia, later being transferred to Boston as state agent in Massachusetts. He was called to the home office Nov. 15, 1925, as agency superintendent and on Feb. 23, 1926, was elected assistant secretary.

Mr. Miller was born in Arkansas and graduated from the law department of the University of Arkansas. After associating in a general agency at Little Rock he entered the employ of the National Fire in 1916 as special agent in Arkansas. In 1920 he was transferred to Texas as state agent and in 1923 was called to the home office as general agent. He was elected assistant secretary Feb. 23, 1926.

CHANGES IN ADJUSTMENT BUREAU

Changes in the staff of the General Adjustment Bureau, following the recent retirement of Harvey W. Russ to associate with the National Board, include the appointment of Charles C. Greene as superintendent of adjustments (a newly created office); the transfer of J. B. Tally from the management of the Providence office to that of the Buffalo branch, which latter post Mr. Greene relinquishes, and the advancement of Edwin Quackenbush to the assistant management of the Buffalo office. All three of the men advanced have been in the employ of the Bureau for some time. Mr. Greene's connection dating back to 1908, while Mr. Tally has five years of service to his credit.

LARGEST FLOOD RELIEF

Officers of all state associations of local agents have had brought to their attention by Secretary W. H. Bennett of the National organization, the suggestion of Bergman, Finlay & Starling, leading local agents of Greenville, Miss., that they appeal to their respective United States Senators and Congress-

men to favor an immediate appropriation by the federal government of \$300,000,000 for rehabilitation work throughout the flood devastated areas of the south. It was asked further that the national representatives telegraph President Coolidge pledging that at the next regular session of Congress they will support a bill validating any action he may take to make the money available at this time. Bergman, Finlay & Starling assert that "unless some such action as this is quickly taken the flood devastated area of the seven states will become uninhabitable and non-productive, and at least half a million people will be rendered homeless and half the territory evacuated. There is still as much as ten feet of water in the delta."

BRITISH OFFICIALS IN U. S.

Hugh Lewis, general manager of the Liverpool & London & Globe, arrived in New York this week for a visit to the company's branches here and in Canada.

A. J. Makins, secretary of the Union of London, is visiting the company's United States branch here.

LOSS ON NEW YORK HOTEL

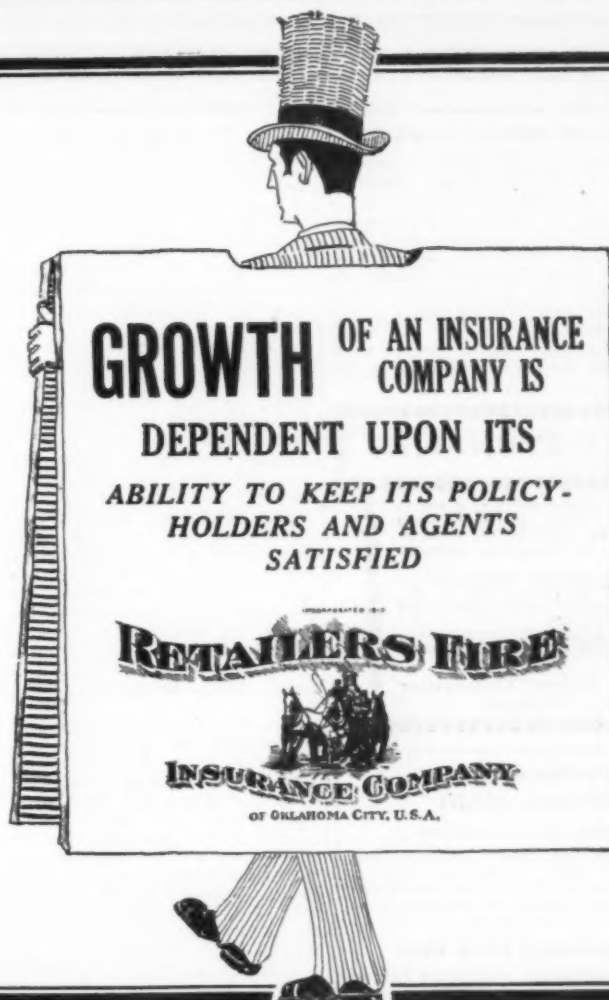
The loss occasioned by the spectacular fire in the Netherlands Sherry Hotel here a short time ago, it is now estimated, will reach \$500,000, or 25 percent of the insurance involved.

LUNT HEADS INSURANCE SOCIETY

Edward C. Lunt, vice-president of the Great American Indemnity, was unanimously reelected president of the Insurance Society of New York at its annual meeting Tuesday. Edward T. Hardy, assistant manager of the New York Fire Insurance Exchange, was likewise unanimously reelected secretary-treasurer.

Travelers Takes Up Inland Marine

HARTFORD, May 25.—The Travelers Fire has established an inland marine department and has appointed C. H. Lawrence as superintendent of that department. Mr. Lawrence is a native of Hartford and his education was obtained in this city. He became associated with the Aetna on May 2, 1911, and had been connected continuously since that time with the inland marine department of that company. He is an underwriter of experience and is familiar with all of the different forms of insurance coming under the head of inland marine business especially the insuring of goods and commodities in transit. The Travelers will not undertake the insuring of ocean marine risks.



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AS SEEN FROM CHICAGO

ALPHA CHI EPSILON BANQUET

The second annual dinner to the patrons and friends of the fire insurance course at Northwestern University at Chicago given by Alpha Chi Epsilon fraternity was held in Chicago Friday evening. W. R. Townley, who has had part in instructing in insurance during the year, served as toastmaster. Dean Perry of the fraternity, chairman of the banquet committee, opened the after-dinner exercises. There were three members of the fraternity who spoke:

OPPORTUNITIES

This column serves as a market place where insurance wants may be made known to thousands of interested insurance men. Advertisements which are received before 9:00 A. M. Wednesday are inserted in the current issue. "Opportunities" advertisements are \$5.00 an inch for one insertion.

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Joseph Wilson of the Liverpool & London & Globe, who is the retiring president of the chapter; Maurice Cravens of the Westchester, new president, and John Dillon of the Providence-Washington, vice-president of the governing board, who represented the alumni. Aside from Mr. Perry, Edward Johnston of the America Fore and Robert Young of the North America served on the banquet committee.

The main speaker was John M. Thomas of the Aetna, who gave some practical advice to the young men. He called attention to the fact that the educational advantages so far as insurance is concerned had only come to those who are entering the business during the last few years. He said that the basic essentials had to be picked up by experience heretofore. Mr. Thomas advised the young men never to discount the other fellow's intelligence. He said that much can be learned from others. He told his hearers to always search for the reason for things being done. There is nothing like asking why, what and where. "Be always alert in your observation of others," said Mr. Thomas, "because from them you will acquire much."

Mr. Townley in the course of his remarks said that when he was actively in the field he represented companies that believed in small lines well distributed. He stated that there is now a return to that old practice. C. R. Tuttle of the North America, who is largely responsible for the insurance course at Northwestern, told about the plans of having a similar course started at Columbia University, New York. Mr. Tuttle went to New York City and talked over the plans with the company executives there, leading finally to a decision to have an insurance course established. Mr. Tuttle said that the insurance course at Northwestern was turning out some fine young men and that they were making an impression on all offices. He characterized insurance men as being unselfish in their general characteristics. He said that any insurance man felt free to go to any other and ask him to help him or to secure any information that he desired.

Raymond T. Nelson, former instructor in insurance at the university and now connected with the Chicago Board, spoke, as did Assistant Dean E. C. Davies of the Northwestern School of Commerce. C. M. Cartwright of THE NATIONAL UNDERWRITER and T. R. Weddell of the "Insurance Field" were called upon for remarks.

Aside from those mentioned there were present from the insurance companies F. P. Hamilton, Queen; H. T. Cartledge, L. & L. G.; G. W. Blossom, Jr.; Fred S. James & Co.; A. F. Powrie, Fire Association; Fred B. Luce, Providence-Washington; C. E. Varley, Springfield; H. L. Dalton, Royal; E. B. Hatch, Western Union; F. D. Hougham, America Fore; J. V. Parker, Western Actuarial Bureau; W. C. Boorn, Hartford; E. B. Schneider, North British & Mercantile. C. P. Holmes, instructor in the insurance course, was also present as a guest.

TO HAVE RESEARCH DEPARTMENT

At the meeting of the directors of the Fire Underwriters Association of the Northwest last week it was decided to elect Mrs. Edith Y. Wetmore, who is the librarian, as assistant secretary and assistant treasurer of the association. She will give all her time to that work and will move to the 22nd floor of the Insurance Exchange, taking the quarters formerly occupied by the Insurance Club. Mrs. Wetmore has been looking after the affairs of the association and also the library. Miss Jane Luce, the library assistant, will continue for the time being to look after the library until the Chicago Board makes arrangements for the expansion of that institu-

tion. The library has been turned over to the Chicago Board for development. There were present at the meeting President Ralph Rawlings, H. T. Cartledge, Liverpool & London & Globe; Fred B. Luce, Providence-Washington; Melvin LePitre, Fire Association; D. O. Stine, Reedsburg, Wis.; St. Paul Fire & Marine; W. B. Erfert, Freeport, Ill.; Crum & Forster.

Manager Ernest Palmer of the Chicago Board announces the establishment of a department of research in connection with the library. He has secured Phil Credon to take charge of this important work. He is a graduate of the Evanston, Ill., high school and Massachusetts Institute of Technology. He is a former newspaper man, having worked for the Chicago "Daily News" and the Chicago "American." Recently he has been in the public relations department of the engineering firm of H. M. Byllesby & Co. of Chicago. Through Mr. Credon contacts will be made all over Cook county and he will have charge of the publicity work of the board, an entirely new departure which will bring it in closer association with the business interests of the county.

Mr. Palmer has some very definite ideas as to the development of the library. He intends to expand it greatly, have it so catalogued and arranged that any question relating to insurance can be readily answered. The library will be the fountain head of insurance information. The name has been changed to the Insurance Library of Chicago. Eventually it is hoped to interest the life insurance people in contributing a sufficient amount to the library to enable it to have a comprehensive literature on life insurance. This promises to be one of the most important divisions of the Chicago Board and is due to the farseeing ability of Mr. Palmer.

WESTERN COMPANY QUOTATIONS

H. W. Cornelius of Charles Sincere & Co., the Chicago investment house, gives the following stock quotations for western companies:

Stock	Par	Bid	Asked	Div. Per Share
Abr. Lincoln Life...	20	30	35	5
Agricultural Life...	50	48	50	..
Amer. Bankers....	2 1/2	75c	1 1/4	..
Amer. Drug. Fire...	25	74	80	12
Central Life, Ill...	20	48	52	8
Chicago F. & M...	10	11	15	..
Chicago Natl. Life...	10	20	..	..
Columbian Nat. Fire	25	15	20	..
Conserv. Life, Ind...	10	5	..	..
Contintl. A. Chgo...	10	60	..	16
Continental Cas...	10	50	55	16
Cont'l Life, Mo...	10	30	35	10
Detroit Life.....	50	..	..	8
Detroit Natl. Fire...	25	20	24	4
Des Moines L. & A...	10	7	8 1/2	..
Dubuque F. & M...	100	..	..	20
Farmers Natl. Life	5	16	20	..
Federal Life.....	100	..	..	..
Federal Surety....	100	90	110	..
Genl. Cas. & Sur...	50	..	..	12
Grange Life.....	50	..	..	..
Great Lakes Fire...	10	12	15	..
Illinois Fire.....	100	125	..	10
International Life...	25	70	..	12
Inter-Ocean Reins...	100	..	..	..
Inter-Southern Life	1	2	3	6
Interstate Fire...	25	18	22	4
Iowa Natl. Fire...	100	120	130	8
Iroquois Fire.....	50	40	60	..
Lincoln Natl. Life...	10	..	..	20
Metropolitan Fire...	10	8	11	10
Milwaukee Mech...	10	26	28	22
Missouri State Life	10	73	77	12
Montana Life.....	10	..	..	8
New Century Cas...	50	85	95	8
North Amer. Life...	50	170	185	20
Nor. States Life...	10	12	..	8
N. W. Natl. Fire...	100	80	..	30
New World Life...	10	12	14	8
Ohio Natl. Life...	10	38	..	8
Old Colony Life...	10	..	..	6
Old Line Life.....	10	32	35	15
Peoria Life.....	10	40	..	15
Pioneer Fire.....	20	20	..	..
Presidential F. & M.	25	12	..	10
Security Life, Chgo.	10	12	..	10
Southern Surety...	100	..	..	16
St. Paul F. & M...	25	130	..	14.4
Union Central Life	20	..	..	6
Western Union Life	100	145	..	8
Wisconsin Nat. Life	10	14	..	8

*Old Stock.

OUT LITTLE FIGURE IN STATE

It is strange to think of all the business in Chicago and the rest of Illinois and realize that the inter-insurance exchanges take such a small portion. The Illinois exchanges only had \$116,908 premiums in Illinois and the exchanges of other states \$147,300 premiums.

Warner's Cannery Exchange leads the domestic concerns with \$53,037 premiums in the state and \$5,732 losses. The Farmers National Insurance Underwriters of Kankakee is next with \$42,366 premiums and \$25,806 losses. Of the exchanges of other states the Reciprocal Exchange of Kansas City had \$36,439 premiums and \$9,576 losses; the Universal Underwriters of Kansas City, \$36,270 premiums and \$16,635 losses. The total premiums of Lloyds in the state amounted to \$71,350, with losses \$27,406. The Chicago Lloyds led with \$49,882 premiums and \$22,083 losses. London Lloyds only took \$32,363 premiums out of the state. The Fred S. James & Co., office of Chicago led with \$12,333 premiums and losses \$11,574.

* * *

The Federation Insurance Agency, which has opened new office in the Peoples Life building, 130 North Wells street, Chicago, held open house last Saturday to friends. A buffet luncheon was served. The members of this agency are Edward J. Evans, Charles M. Paulsen and John F. Foehringer.

FIRST COOPERATIVE CONVENTION SUCCESS

(CONTINUED FROM PAGE 24)

commerce and which cannot be halted in any event, have caused the downfall of volunteer organizations. The old axiom, "What can not be cured must be endured" may better be said, "It isn't worth while to cure some things and they may be easily endured."

"The most essential thing in life is to recognize the essentials, and act upon them. It was the Federation which planned and effected the first of the annual gatherings known as Pennsylvania Insurance Days, which seek to weld life, fire and casualty interests into a major volunteer movement."

Round Table Meetings Held

The second afternoon sessions were filled with three separate round table meetings of the delegates interested in fire, casualty and health and accident insurance. Sidney F. Law, superintendent of the automobile department of the Springfield Fire and Marine, gave a talk on some profits in selling that the average agent overlooks. E. S. Joseph of Joseph & Kline, Harrisburg, and president of the Unit System Company, gave a short talk on efficient agency management.

At the casualty round table H. A. Warren of Wagner Taylor Company, Philadelphia, presided and Robert I. Catlin, secretary of the Aetna Casualty and Surety, and J. J. Iago, assistant secretary of the Fidelity and Deposit, spoke.

W. B. Corey Places Blame

"As I view the accident and health business today, we, ourselves are to blame for certain conditions we now have," according to William B. Corey, secretary and treasurer of the Provident Industrial Life, health and accident company, in an address before the round table on accident and health. "Our business is here to stay, and no doubt will witness many changes. Whatever is done now and in the next 10 years will and should be done along constructive lines, and not with the thought of just for today."

Following Mr. Corey, George H. Salter, Progressive Mutual Aid, analyzed and compared the various forms of accident and health policies with ordinary disability and accident contracts. He stressed the importance of the moral hazard in underwriting health and accident forms and urged the agents to keep in mind the service to their companies as well as to their policyholders.

At the close of the general session it was announced that the board of governors of the Insurance Federation had taken no action on naming a successor for G. R. Dette, who resigned recently to become assistant vice-president of the Commonwealth Casualty. Mrs. Mary Fireng, who has been closely associated with Mr. Dette in Federation activities

for the last five years, was named assistant secretary.

Too Much Contract Talked

"Insurance men talk too much contract, too much legal form, and should keep in mind that, fundamentally, the public is interested, and vitally, in its own protection—and that is what the insurance man is selling," Charles H. Holland, president of the Independence companies, said to the delegates at the banquet which closed the convention. "Instead of harping on the technical side of our business, I would suggest that the insurance fraternity adopt a new slogan—I sell protection. For if the public buys a life preserver there is no worry about the insides of the life preserver or its cost. The public worries about its quality and its usefulness."

"Recently we noticed a change in company spirit in its attitude toward the public. The introduction of a closer interest in public affairs as typified by the improving public relations movement, as it is called, shows we are not only beginning to stand together with the agents and companies but we feel we are policyholders."

Mr. Holland as guest to 650 delegates at the biggest social event of the convention, welcomed all insurance men to the fold of cooperative effort in a common cause. His entertainment was considered the highest compliment that could be paid to the organizations participating, and was admittedly the outstanding example of the generosity and good fellowship of the general meeting.

THREE PONDS JOIN IN DINNER

Manitoba, Dakota and Minnesota Blue Goose Will Have Joint Session at Alexandria, June 22

Members of the Manitoba Blue Goose will be guests of honor at the joint good fellowship dinner, June 22, which will be a feature of the annual midsummer splash of Dakota pond, including North and South Dakota, and the Minnesota pond, to be held June 22-23 at The Blake and Dickinson Inn, Alexandria, Minn., respectively. Plans are being made for the entertainment of 250 guests at the dinner.

Tentative plans for the two-day program call for separate meetings of the North and South Dakota Fire Prevention Associations and preliminary sports events the first day, in addition to the dinner. The second day will be given over to the continuation of the sports program, which will consist of clock golf, quoits and baseball, and the awarding of prizes followed by the business sessions and election of officers. The evening will be taken up with a dance. Special plans are being made for the entertainment of the wives of members and it is hoped that many will attend. Golf and bridge will form the diversions and suitable prizes will be arranged.

H. A. Presler, Fargo, is chairman of the general arrangements committee and he is assisted by J. D. Taylor, Grand Forks, and S. E. Bickard, Fargo. In accordance with the usual custom of the pond, North Dakota members are in charge of the midsummer splash while the midwinter sessions are handled by South Dakota members.

Quirk Inland Marine Manager

George G. Quirk has been appointed manager of the inland marine department of the Automobile of Hartford, according to an announcement by Secretary E. J. Perrin, Jr. The new manager will assist D. R. Sibley, assistant secretary.

Mr. Quirk began his service of six years with the company as a marine special agent, and later was made a state agent. For the past four years he has been superintendent of agents for the inland and ocean marine departments in charge of production, as well as being identified with the underwriting of the business.

QUAID TALKS TO AGENTS ON COMPANY VIEWPOINT

ON THE SYRACUSE PROGRAM

Ideal Method Described—Realization of Great Economic Place of Insurance is Described

SYRACUSE, N. Y., May 25.—William Quaid, vice-president of the American Fore companies spoke on the subject "Through Company Spectacles" at the meeting here of the New York Agents Association. He took the place on the program of Paul Haid, president of the companies, who was unable to be present. He said in part:

"Part of the topic is the discussion of the sixth principle of your association on the continuation of the policy of conference and co-operation. I believe that the trouble with the insurance business fundamentally is that each one of us is looking at the other through highly concentrated spectacles trying to find the other's faults when as a matter of fact we ought to be standing side by side looking in exactly the same direction. 'Often I see through my spectacles

into an agent's office when he is opening his mail. In that mail is a request for a cancellation or a request for a remittance and I can see from that agent's expression that his attitude is that the company is doing everything that it can to hinder him in his business. Of course that isn't so. I wish you could understand how the company is driven to keep its premium income and how it tries to be just as careful of every agent as it possibly can.

Contact Not Close Enough

"One of the great things that I see through the company's spectacles is the fact that we have never quite reached the proper working arrangements. I mean by this that neither one of us is in close enough contact with the public to properly represent insurance. Whenever one man has something to sell that another man needs and wants to buy, the ideal trading transaction is for these two men to come directly together, and every time anybody comes in between these two just so far is the ideal of trading removed.

Realize Economic Place

"Now if each agent would approach every buyer on the basis that it is his own product he was selling and if every company would approach each agent as though the agent himself was the buyer

I think that we would be on a business basis and a business understanding that would do away with this constant cry of cooperation. Right there it strikes me is the basis of our trouble and that is, we look through our spectacles at each other and fail to see on either side of us the great public which it is our duty to serve. If the companies and the agents constantly realized the great economic place that insurance holds in the community and kept in mind the great need of insurance to the community, we would both understand our own situation much better."

Hollister With Dun & Co.

E. J. Hollister, well known to insurance men in the west in connection with commercial reporting service for insurance companies on assureds, has gone with R. G. Dun & Co. in the insurance service department. Mr. Hollister was formerly with the Dun agency, leaving them about 14 years ago.

Office-Boy Diplomacy

Caller—"I want to see Mr. Brindle."
Office Boy—"He's in conference."
Caller—"Hum. When will the conference be over?"
Office Boy—"Right after you leave, sir."

Fire makes no exceptions. Here he is at work thirty-eight stories above the ground! Just another way of proving that he is impartial as to where he inflicts his wrath.

When fire breaks its bounds in a carefully watched expensive skyscraper how sanguine are our expectations that our property will be immune from his visit!

Insurance is your one answer.

New York was thrilled last month by the awe-inspiring sight of the world's highest fire. Here is a picturesque view of the burning New Netherlands Hotel, Fifth Avenue and 59th Street. Glowing embers from the burning scaffolding flying through the air menaced dwellings and office buildings within a radius of two blocks. Firemen were almost helpless as they could not get water to the blazing tower.



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Owing to a misapprehension the statement last week referring to the reinsurance by the Continental of the Marquette National was incorrect. The facts are as follows:

For two years prior to April 30, 1925, the Continental and Fidelity-Phenix jointly had first surplus reinsurance treaties with the Pittsburgh Fire and Marquette National. On April 30 the Continental and Fidelity-Phenix reinsured 75 percent of the outstanding liability of these companies in all states except New York, where 100 percent was reinsured.

The underwriting staff of the Marquette National and Pittsburgh at its home office in Chicago, having been materially strengthened by the acquisition of M. E. Moriarity, former assistant secretary of the Fidelity-Phenix, the Continental and Fidelity-Phenix agreed to continue their reinsurance treaties with the expectation that within a brief time these companies would become affiliated with the same organizations as the Continental and Fidelity-Phenix. These first surplus treaty contracts were continued until Nov. 1, 1926, at which time all reinsurance negotiations, except the running off of the liability already assumed, were discontinued by the Continental and Fidelity-Phenix.

It having become evident in the meantime that there was no serious chance of the Marquette National being affiliated with the Western Union, it was recommended to them that they take up further negotiations with companies in the Western Bureau, which subsequently was done.

The total amount of Pittsburgh and Marquette portfolio combined was slightly less than \$1,500,000, which when taking commission off gave net cash to Continental and Fidelity-Phenix of less than \$1,000,000, which was paid not in one check but in a series of payments.

It is regretted if the incorrect statement in the issue of last week has caused a misunderstanding of the position of the Continental and Fidelity-Phenix.

The Continental and Fidelity-Phenix are not in the business of rescuing companies but do business on a sound basis and are not interested in salvaging operations.

INSURANCE REQUIRED ON
ALL SHIPMENTS TO PERU

WASHINGTON, May 25.—Compulsory insurance on all merchandise moving to Peruvian ports will become effective July 1, under a decree just published by the government of Peru, according to a report received at the Department of Commerce.

Under the terms of the decree, shippers will be required to present to Peruvian consuls, when applying for consular invoices, a duplicate of the insurance policy covering the goods, or a certificate from the insurance company showing the value of the particular goods in cases where blanket or revolving fund policies are used.

Over-insurance is guarded against by a provision that when the amount declared in the invoice is more than 10 percent less than the amount insured, the latter will serve as the basis for the assessment of duty. Insurance policies should show both the net and gross value, with the insurance covering transportation and similar expenses stated separately from the insured value of the goods themselves.

Failure to provide the necessary insurance is punishable by a fine.

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Formerly THE WESTERN UNDERWRITER

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National Fire Protection Association

THERE was a day when the NATIONAL FIRE PROTECTION ASSOCIATION was referred to as the standard making organization for the fire insurance companies. And there was some basis of fact for this statement. The day when this description accurately fitted the association passed several years ago. Now the NATIONAL FIRE PROTECTION ASSOCIATION has taken a place in the field of fire control which is comparable to the place occupied by the NATIONAL SAFETY COUNCIL in the field of accident control. Convincing evidence that when the knowledge and methods developed by the association are applied in the field, the fire loss will be reduced, has led the business leaders of the nation to get definitely behind a movement to extend the field engineering service of the organization. With the success of its \$500,000 campaign virtually assured, an extensive fire prevention campaign beginning in 1928 upon proved methods of procedure is assured.

That widespread and sustained reductions in municipal fire losses will have

its effect upon the fire insurance business is certain. The companies are already facing a new problem in a number of cities, the problem of dealing with a city whose fire losses are moving downward in spite of constantly increasing values. In some cities today, large groups of influential citizens are backing the fire safety movement. It is impossible to convince such a group that there is any justification for any increase in rates when their fire prevention efforts definitely show a reduced fire loss. Thus far the companies have had to deal almost entirely with a rising fire loss. It will require statesmanship of a high order to handle the situation where there is a decreasing fire loss so that justice may be done to the companies, while retaining the good will of the citizens of such communities.

Farsighted underwriters welcome the support for reduction of fire losses now being received from the leading business men of the nation. They will find a satisfactory way of handling the new situations which may arise.

The Baumes Law: A Warning

THERE is agitation in some quarters for the adoption in various states of laws similar to the Baumes law in New York, the chief feature of which is the mandatory penalty of life imprisonment for the fourth offense. In other words, the habitual criminal who is convicted for the fourth time must be given a life sentence regardless of circumstances. This is a "law with teeth," and following its adoption some months ago there has been a reduction in crime which has been attributed to the efficacy of the law in question.

This sounds well, but there is always danger in such "post hoc, ergo propter hoc" logic. In the first place, six months is by no means a sufficient period to determine the value of any piece of legislation. Careful observation over a period of years is necessary. It is quite possible that the new law has caused a reduction of crime, but whether or not that result will be lasting can be determined only with the passing of time. The argument that crime in New York has been reduced since the adoption of

the law is especially open to criticism in view of the report of the protective committee at the recent meeting of the AMERICAN BANKERS' ASSOCIATION, showing a nation-wide reduction in crime. For instance, crimes against member banks dropped from 166 burglaries and 97 holdups in 1921 and 59 burglaries and 166 holdups in 1924 to 29 burglaries and 112 daylight robberies in 1926, a total of 141 attacks in 1926 as against 263 reported in 1921. The report also states that an appreciable reduction in forgeries, swindles and sneak-thefts gives promise of an improvement that will rank 1927 as a banner year for the suppression of bank crimes. In view of this widespread reduction, it is folly to attribute the improvement in New York to the Baumes law.

The danger in a severe law is that it may defeat its own purpose. Even if the Baumes law is helping to bring about the reduction in crime in New York just after its adoption, it is a question whether or not it will continue to do so. As people become more familiar with

the law, it will become more and more difficult to secure convictions of offenders for the fourth time when the jury realizes that that conviction, perhaps for a relatively unimportant offense, means that the offender must spend the rest of his life in prison.

The history of criminology reveals the inefficacy of stringent laws. At one time England had some 300 death penalties. Almost any offense, even petty stealing, was punishable by death, but there is

probably no time in the history of England when crime flourished on such a scale. Crime is deterred not by harsh laws that may or may not be enforced, and frequently are not, because of their very harshness, but by swift and certain punishment. What is needed is the enforcement of existing laws rather than adoption of more stringent laws. Not harsh punishment, but inevitable punishment is the effective method of crime control.

PERSONAL SIDE OF THE BUSINESS

Carl Schreiner, president of the Pilot Reinsurance of New York, better known as the former United States manager of the Munich of Germany, has completed 47 years of association with the latter company, of which he is still a director and the management of which is anxious that he remain at least three years longer in order to round out a half-century of constant connection. Mr. Schreiner is the only living incorporator of the Munich, his former associates in such connection all having passed on. He has long been recognized as the foremost reinsurance authority in the world, and his counsel is constantly sought in connection with its problems. He has ever been a believer in diversified writings, and while in control of the Munich here transacted a large casualty as well as a fire reinsurance business. The wisdom of this policy was concretely demonstrated when the Munich sustained a loss of over \$2,000,000 in the San Francisco conflagration of 1906, but was able to more than make it good from the profits in the casualty branch, which chanced to be unusually heavy that year. Prior to the outbreak of the world war the Munich was in receipt of an annual premium income of nearly \$50,000,000; operating as it did in all parts of the world. Following the cessation of hostilities it found its business completely demoralized; its foreign connections practically severed and its home assets subjected to excessive taxation. It owns extensive business properties in its home city of Munich, but under existing tax and rental regulations, the buildings yield a loss instead of a profit. Some day, however, as economic conditions stabilize, the properties should prove immensely profitable. That the company will again enter this country for business is highly improbable.

John M. Fairfield, insurance commissioner of Wyoming, died at Rochester, Minn., on Saturday, after an operation for duodenal ulcer. He was buried at Lincoln, Neb., on Monday. Mr. Fairfield was appointed insurance commissioner early in the year by the governor and had inaugurated many plans to make his office efficient and useful to policyholders as well as insurance companies. Mr. Fairfield for a number of years was a big life insurance producer and one year produced between \$900,000 and \$1,000,000 of insurance. He was a very active man and devoted much time to the insurance business.

Harry K. Rogers, engineer of the fire prevention department of the Western Actuarial Bureau, and better known to thousands of children throughout the country as "Smoky," was in a train wreck Monday morning on the Burlington near Albia. Though escaping injury Mr. Rogers was obliged to cancel his "fire clown" engagement in the schools of Chariton, Ia., scheduled for Monday and Tuesday.

One of the backers of Capt. Charles A. Lindbergh in his history-making New York to Paris non-stop flight was Earl C. Thompson, head of the Commonwealth Insurance Agency of St. Louis. Mr. Thompson and seven other St. Louisians interested in aviation guaranteed to underwrite the expenses of

the trip, while Captain Lindbergh put in his entire savings, \$2000.

Mr. Thompson has long been interested in aviation and as vice-president of the Indemnity Company of America was a pioneer in furnishing insurance protection to regularly operated commercial air lines. He had become personally acquainted with Captain Lindbergh and at no time did he doubt the ability of the young flyer to make the flight successfully.

The airplane was put to practical use in Minneapolis a few days ago when T. G. Linnell, state agent of the Twin City Fire, flew with his attorney to Olivia, Minn., a distance of about 100 miles, attended a court hearing and returned the same day. However, this feat has inspired no widespread demand among insurance men of the Twin Cities for flying machines.

Mr. and Mrs. John F. Ankenbauer, of Cincinnati, will sail on June 8 from Quebec on the Empress of France for a tour of England, Ireland, France, Belgium, Holland and Germany.

George H. Bell of Hinsdale, Ill., western manager of the National of Hartford at Chicago, was installed Saturday as president of the Hinsdale Club, one of the largest social clubs in the western suburbs. He has been active in its work and has been vice-president. He succeeds as president T. Rockefeller Weddell, editor of the "Insurance Post."

When the Studebaker Automobile company learned that it was essential for Jay W. Stevens, state fire marshal of California and chief of the fire prevention bureau of the National Board, to make a hurried trip to Portland, Ore., it placed at his disposal the car which broke the trans-continental record, together with the driver. Mr. Stevens, accompanied by two other California fire chiefs, left San Francisco at midnight, expecting to reach his destination Saturday afternoon in an effort to permit him to attend to his business and be back in San Francisco by Monday. In order to accomplish this feat it was necessary to break the automobile time record between the two cities which has been 16 hours and 31 minutes for a number of years past. The insurance fraternity, in view of the speed used by Mr. Stevens in covering the coast territory, was not surprised at his latest thriller. It was necessary to pass over some of the most difficult country in the Pacific Coast on the trip, but in order to speed the trip, the party was met outside each town and escorted through by members of the local fire departments.

Clifford Ireland of Peoria, Ill., former director of trade and commerce in Illinois, has formally announced his resumption of practice of law in the Jefferson building in that city. Mr. Ireland's practice will be limited to insurance, federal and state departmental cases. During the time he was director, Mr. Ireland took personal supervision of all insurance matters in the state. He is well known to the state insurance commissioners. Having served in Congress he knows the ins and outs of Washington bureaus.

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

PREMIUMS DECREASE IN OHIO

Audit Bureau Notes Heavy Falling Off in Number of Daily Reports Received

COLUMBUS, O., May 25.—That premiums have been decreasing in Ohio for the first four months of this year is reflected also in the number of daily reports which are being received at the Audit Bureau offices. One of the Ohio offices covering a representative portion of the state shows a 10 percent decrease in the number of daily reports for March of this year as compared with March of last year and April shows an 11 percent decrease as compared with April of last year. This decrease in daily reports comes in spite of the fact that an increased number of policies have been issued to cover some of the large lines where companies are reducing the amounts at risk and where these amounts are being spread to an additional number of companies. In general, it seems that the largest companies are showing most marked decreases in premium.

Cincinnati Insurance Society

CINCINNATI, May 24.—President Harry Federman of the Cincinnati Insurance Society will announce the nominating committee which will select the tickets to be voted on for next year's officers at the meeting of the society Thursday evening. Arrangements for the annual picnic will also be discussed at the meeting. After Richard E. Verner of the Western Actuarial Bureau has spoken on "The Little Red Box on the Corner" the evening will be spent in dancing.

BLUEFIELD AGENTS ACTIVE

Will Act as the Official Hosts at the Convention of West Virginia Association

The local agents at Bluefield, W. Va., are preparing to receive the agents from all over the state at the annual meeting of the West Virginia Association of Insurance Agents, June 21-22. This will be the first time that the association will have met in Bluefield. There are hard roads all over the state running into Bluefield, so that many agents will drive to the meeting. E. H. Easley of Bluefield is regional vice-president and will be prominent among the agency entertainers. Mr. Easley states that those going by train can make connection either with the Norfolk & Western at Huntington, or the Virginia Railway at Charleston via Princeton. There is a Pullman running from Charleston and Huntington to Bluefield over the Norfolk & Western and the Coal & Coke. The Coal & Coke Railway makes close connection at Charleston for Princeton which is only 12 miles from Bluefield. Interurban cars and busses are running between the two cities. Bluefield is one of the liveliest towns in West Virginia and the local agents will make special effort to see that all comers are well looked after.

West Virginia 1926 Business

The annual report of Commissioner Mallison of West Virginia for 1926 shows that 193 American fire companies

received premiums amounting to \$8,199,076 and incurred losses of \$4,981,253; 47 foreign fire companies received premiums of \$1,532,271 and incurred losses of \$848,603; 17 farm mutuals received premiums of \$354,726 and incurred losses of \$153,562. Total net premiums of all classes of companies were \$9,731,348; net losses paid, \$6,432,728; net losses incurred, \$5,829,856.

Hampers Insurance Litigation

COLUMBUS, O., May 24.—In vetoing the appropriation bill passed by the Ohio legislature, Governor Donahey cut down the sum allotted for traveling expenses of the attorney general. In a letter to the public, Attorney General Turner says that this will greatly hamper the work of his department in the handling of insurance matters, which frequently calls for many trips over the country to gather evidence, etc. Mr. Turner says, however, that rather than have the state work suffer he will foot some of the expenses himself.

Joseph Schweer to Wed

Joseph Schweer, secretary of the Cincinnati Fire Underwriters' Association, is to be married in September to Miss Eleanor Roff of Covington, Ky. Miss Roff is as well known in Covington as Mr. Schweer is known among the fire underwriters in Cincinnati.

Brookhart Cases Postponed

COLUMBUS, O., May 24.—Hearing in the Ohio state supreme court of the Brookhart cases has been postponed until June 3. Twelve days have been occupied in the taking of testimony in the case, five days by the company and seven by the insurance department, through Judge C. L. Younger, associate attorney general. It is expected that the case will be one of the most bitterly fought in the history of insurance litigation in Ohio. The case grew out of the refusal

of the department to relicense the National Mutual and the Celina Mutual, both of Celina. It is alleged that excessive compensation was paid to E. J. Brookhart, the secretary of the two companies.

Ohio Field Club Meetings

The Blue Goose and both the field clubs will hold their monthly meetings in Columbus, O., June 7. The annual election of officers will take place at the meeting of the Ohio Fire Underwriters Association. The two field clubs will hold their mid-summer outing at Cedar Point July 5-7.

George S. Valentine of the Ohio Farmers has become a member of the Bureau field club.

Ohio Agency Changes

Recent changes in Ohio fire insurance agencies are:

Canton—Daily & Hook Company and C. A. Dougherty & Co. merged under the name of the Daily & Hook Company; Jerome R. Mueller has retired as the manager of the insurance department of the John Jacob agency and is succeeded by Christopher N. Bartell.

Cadiz—J. Edward Hanna and C. G. Henry agency, known as the Hanna Insurance Agency, transferred to Mr. Hanna.

Still Retain Old Firetrap

COLUMBUS, O., May 24.—Inasmuch as Ohio is to have no new state office building and the state industrial commission and highway departments will have to remain in the old Hartman Hotel building, Fourth and Main streets, which has been declared a firetrap, daily fire drills are being held and a dozen firemen's axes have been distributed throughout the building. The records of the state's workmen's compensation fund are housed in this building. The legislature this year was unable to reach an agreement

(CONTINUED ON PAGE 34)

A Complete Set of "TOOLS"



"Have You Done Your Part in Furnishing Your Clients with Tornado and Windstorm Indemnity?"

NORTHERN ASSURANCE COMPANY LIMITED, OF LONDON

UNITED STATES BRANCH
80 JOHN STREET, NEW YORK

R. P. BARBOUR, Manager H. N. KELSEY, Deputy Manager C. W. COOPER, Secretary

PACIFIC COAST DEPARTMENT
C. E. ALLAN, Manager
 225 Pine Street
 SAN FRANCISCO, CAL.

MARINE DEPARTMENT
WM. H. McGEE & CO.
 11 South William St.
 NEW YORK, N. Y.



*London Guarantee
& Accident*

At the End of the First Six Months?

DO YOU KNOW how your business stands as compared with the first six months of 1926? Every insurance man should have these figures at his fingers' tips, for they are his guide to the future. Don't think for a moment that a business that is not growing is standing still, for it isn't—it is slipping back fast. Growth is necessary for any healthy business. To analyze your business is time profitably spent. If you are to build successfully for the future steer your course from the experience of the past.

Most insurance agents whose books do not show the vital necessary increase have lost out because they have not sold the miscellaneous casualty lines or have not represented the right Company, or both. Some of the most prosperous and fastest growing agencies in this country are London Guarantee Agencies. Back of the splendid policy contracts of this Company is a service organization that has rightfully earned for the Company the title of "The Super Service Company."

If your business has not grown as you think it should have perhaps the London Guarantee can help you. Write to the Agency Department—you will receive a prompt, typically "Super Service" reply.

Head Office: 55 Fifth Avenue, NEW YORK

C. M. BERGER, United States Manager

*urantee
Co. Ltd.*

I.N.SURE'S OBSERVATIONS

Keep Pace with Changing Times

The troubled conditions existing in China today have caused many people to consider the history of that ancient country. There is a lesson to be gleaned from China—not only for other nations but for business concerns as well.

Many hundreds of years ago Chinese civilization was the most advanced on this earth. Great strides had been made in science, culture and government and peace and prosperity ruled the land for many years. Then came changing conditions and new ideas to which the people could not adjust themselves and China became what we see it today.

The world and everything in it is constantly changing. We have no right to expect that business or anything else will go along day after day and year after year without vital changes to which we must adjust ourselves if we would progress.

It's All in the Viewpoint

In days of old, when knighthood was in flower, two brave knights met on a dusty road. One suggested to the other that a cold, refreshing drink was something to be greatly desired. So, both agreed, they rode in quest of an inn where they might quench their thirst. Coming upon a pretty inn at the roadside, one knight said, "Let us enter here at the sign of the purple flagon."

"Yes," said the other, "but your eyes deceive you for on the sign I see a red flagon."

They fell to arguing, both looking at the sign suspended overhead and, since they could not agree, they decided to settle the matter in knightly fashion. With a crash of arms they engaged in mortal combat, positions were reversed and suddenly one knight cried, "Hold, I see that you are right, it is a purple flagon."

"And," said the other, "you are right, it is a red flagon."

It was then discovered that the sign had on one side a red flagon and on the other side a purple flagon.

The moral of this tale for a salesman lies in the idea of getting the prospect's viewpoint. Consider how your prospect looks at your proposition. Knowing this clearly, you can make an effective selling talk and thus escape the argumentative pitfalls that spoil sales. There are two sides to every question—be sure you know the prospect's side.

GLOBE & RUTGERS

FIRE INSURANCE COMPANY

111 William St., New York City

January 1st, 1927

ASSETS

Bonds & Mortgages	\$ 149,425.00
U. S. Liberty Bonds	518,200.00
Government, City, Railroad and other Bonds & Stocks..	59,564,972.90
Cash in Banks and Office	2,434,964.77
Premiums in Course of Collec- tion	8,827,461.77
Interest Accrued	111,020.32
Reinsurance Recoverable on Paid Losses	134,952.12

\$71,740,996.88

LIABILITIES

Capital	\$ 3,500,000.00
Surplus	25,610,575.98
Reinsurance Reserve	21,162,599.90
Losses in Course of Adjust- ment	8,362,821.00
Commissions and other Items.	7,100,000.00
Reserve for Taxes	1,005,000.00
Reserve for Depreciation	5,000,000.00

\$71,740,996.88

Surplus to Policy Holders - \$29,110,575.98

□ □ □

Progress since Consolidation in 1899

	ASSETS	RESERVE	SURPLUS
Dec. 31, 1899	\$529,282.59	\$28,832.54	\$2,028.94
Dec. 31, 1910	5,255,362.12	1,936,224.86	2,365,363.37
Dec. 31, 1920	42,765,374.55	16,593,764.16	11,361,311.89
Dec. 31, 1925	67,922,096.58	20,265,572.73	24,161,943.85
Dec. 31, 1926	71,740,996.88	21,162,599.90	25,610,575.98

□ □ □

E. C. Jameson, *President*
 Lyman Candee, *Vice President*
 W. H. Paulison, *Vice President*
 J. H. Mulvehill, *Vice President and Secretary*
 J. D. Lester, *Vice President*

W. L. Lindsay, *Secretary*
 A. H. Witthohn, *Secretary*
 A. G. Cassin, *Assistant Secretary*
 J. L. Hahn, *Assistant Secretary*
 W. J. Volkmann, *Local Secretary*

The National Underwriter

THIRTY-FIRST YEAR
NUMBER 21

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NEW YORK AGENTS
NUMBER

New York Agents Met at Syracuse

J. W. Rose of Buffalo Elected President—
Lively Session of State Association Was Held

New York Agents Had Live Annual Session

SYRACUSE, N. Y., May 25.—This running account of the 45th annual convention of the New York State Association of Local Agents, which was held here on Tuesday and Wednesday of this week, is intended for those who for any reason do not care for a detailed story of the gathering. It touches the high spots and describes in chronological order what took place at the meeting. The convention really started on Monday evening with the annual get-together dinner. At this there was the usual fraternizing, renewing of old acquaintances and other expressions of good fellowship.

Convention Opened by President McPherson

The curtain went up on the actual business sessions the following morning with President W. H. McPherson of Buffalo in charge. William J. Richards, president of the Insurance Agents Club of Syracuse, gave a brief address of welcome which was responded to by Edgar W. Couper of Binghamton. Mr. McPherson then delivered his annual presidential address in which he touched upon the chief activities of the association during the past year. He emphasized as one of its major accomplishments its ability to persuade the companies to increase commissions to local agents in so-called ordinary territory from 1½ percent to 3½ percent more than was at first proposed by the Eastern Underwriters Association. Mr. McPherson referred to the improved conditions throughout the state, and predicted an even better situation this year because of the close cooperation that the insurance department, commercial organizations of the state and the companies are extending to the association. Secretary-Treasurer J. W. Rose of Buffalo next offered his report showing a total membership of 801, a gain of 57 for the year, and his financial report revealed the association in good financial shape.

Frank L. Gardner Reports on State Fund

The chairmen of the various committees of the association next gave their reports. Frank L. Gardner of Poughkeepsie, president of the National Association and a past president of the New York association, was first with his report on the work of the law and legislative committee. Mr. Gardner referred especially to the report of the industrial survey commission, which after investigating industrial conditions in New York, prepared an exhaustive report in which it took a stand against monopolistic state workmen's compensation insurance. Mr. Gardner said the significance of this report is that because of the scope of the work of the commission it is impossible that any New York legislature during the next several years would seriously entertain the idea of turning over the workmen's compensation business to the state as opposed to the companies which are now writing it.

Adopt Resolution on New Rate Manual

W. H. A. Munns of Syracuse reported for the committee on conference with fire rating organizations. He stated that the revision of the general rate book, applicable to western New York territory, is about completed. This has been in progress since 1923. Mr. Munns said that the new rate book will modernize rating conditions in western New York, but that it will be promulgated before conferring with the New York association as to its contents. The association had it originally understood that it would be conferred with before the actual delivery of the new rate book, but the companies have recently decided to distribute the book first and discuss with the association afterwards any changes



WARD H. McPHERSON, Buffalo
Retiring President New York Association

that might be desired. After Mr. Munn's talk it was resolved to ask the companies not to abrogate the original agreement and to discuss the new rates with the association before publishing them.

Many Other Committee Reports Were Made

John D. Henderson of Herkimer, in his report as chairman of the committee on conference with casualty rating bureaus, suggested that the companies purchase neither supplies nor securities from business firms patronizing the mutuals.

E. A. Paviour of Rochester in explaining the activities of the fire and accident committee stated that its principal activity during the year had been to support vigorously the interchamber fire waste contest. Its efforts were centered on this one thing and it succeeded in arousing the interest in a number of chambers of commerce throughout the state.

William J. Farber, chairman of the service bureau committee, explained that it was organized to handle the overflow

(CONTINUED ON PAGE 56)



J. W. ROSE, Buffalo
New President New York Association

NEW OFFICERS ELECTED

PRESIDENT

J. W. Rose, Buffalo

VICE-PRESIDENT

John S. Hamilton, Gloversville

SECRETARY-TREASURER

Charles F. Miller, Rochester

J. W. Rose Is Elected President for Next Year

SYRACUSE, N. Y., May 25.—J. W. Rose of Buffalo was elected president of the New York association at the election on Wednesday morning. The officers named were: President, J. W. Rose, Buffalo; vice-president, John S. Hamilton, Gloversville; secretary-treasurer, Charles F. Miller, Rochester.

President-Elect Rose Is Active Worker

J. W. Rose, the newly elected president, has been secretary-treasurer of the New York association for the past three years. He succeeded Eugene A. Beach in that position. He is a hard worker, knows intimately the affairs of the association, and was regarded as the logical man for the position. He has been a local agent at Buffalo for many years. John S. Hamilton of Gloversville was elected vice-president.

Proportions of State Association Are Shown

Convention veterans attended this year's meeting of the New York agents' association described it as more like an annual gathering of the National Association of Insurance Agents itself than a roundup of the agents in only one state. In numerous ways the New York agents rally took on the aspects of a meeting of its parent organization. It that its annual meetings must be conducted as are those of the larger associations.

In the first place, it now has a membership of exactly 801, and there were well over 300 at the meeting just closed. Some idea of the size of the New York association, aside from its actual membership total, may be gained from a knowledge of the fact that it now remits over \$4,000 in annual dues to the National Association. It has organized itself county by county and one of the regular features of its meetings is a report of the local agency situation in each county which has a representative at the meeting. This is very much like calling a roll of the 48 states at the national conventions, and has the effect of bringing to the surface the real situation in every part of the state.

Organization Resembles National Association

It is doubtful whether any other state association has as many committees which function during the year and report each year at the annual convention. The New York association has committees dealing with every possible phase of the business and the chairman of each of these have something interesting and illuminating to say when they

(CONTINUED ON PAGE 57)

Activities of the Past Year Reviewed

By **WARD H. McPHERSON**

President New York State Association

I HAD hoped that after the troublous experiences of the preceding year, 1926-1927 might reasonably be expected to return to normalcy, giving us a chance to carry out some of the recommendations made by President Beach in his masterly address of one year ago. Instead, unexpected situations have arisen with monotonous frequency—situations demanding prompt decisions and quick action.

Commission Situation Under E. U. A. Agreement

Touching first briefly on some of President Beach's recommendations just referred to:

1. Commissions—You are all familiar with the result of the conferences with the Eastern Underwriters Association. I believe it is safe to say that the average agent in so called "ordinary territory" is receiving from 1½ percent to 3½ percent more commission than he would have received had the rate first proposed by the Eastern Underwriters Association been adopted. The option of 20 percent flat or 15 percent and 25 percent is due to an efficient committee of agents backed by a strong organization. Without the state association there would have been no option.

2. Agents' and Brokers' Qualification Law—I believe that we can report progress. The subject has been fully discussed in an informal conference with Superintendent Beha and he can, I believe, be relied on to aid in obtaining necessary legislation, at least as regards brokers.

Need for Restricted Company Representation

3. Multiple Agencies—The need for restricted company representation is increasingly evident and the agents of Syracuse have set a splendid example for the rest of the state by adopting a dual agency rule. Buffalo, as you know, has had such a rule in force for many years and would not consider a return to the old system. How a neighbor state adopted a single agency rule will

be told by a prominent agent and former state president who was largely instrumental in bringing this result about.

4. Service Committee—The value of Mr. Beach's suggestion of the appointment of such a committee to aid our members in the solving of unusual problems or to obtain for them information not readily available was apparent to your officers and W. J. Farber of Syracuse consented to act as chairman. While no special case has arisen during the past year requiring Mr. Farber's help, he has some very definite ideas as to what such a committee might accomplish and will tell us about them a little later.

Activities of Grange National Mutual Liability

5. Grange National Mutual Liability, Keene, N. H.—The activities of this company were the subject of discussion at the last annual meeting and your officers were instructed to try in some manner to induce the New York State Grange to withdraw its endorsement and support. I regret that we have little to report and that not specially encouraging. In response to a letter written to the secretary of the Grange inquiring as to the attitude of that organization toward the company in question and incidentally calling attention to the fact that the company was not admitted to do business in New York State I received without comment a marked copy of the Grange Year Book, the marked item being an endorsement of the company by the Grange. In addition the Grange secretary appears to be a director of the insurance company, which naturally makes it a trifle difficult to argue with him, and there the matter rests.

Regional Meetings Especially Successful

6. Regional Meetings—I am glad to report that we were this year able to

resume these meetings, five most successful ones being held at various points throughout the state. Much to my regret I was able to attend but two of them. Secretary Rose attended and spoke at all but one and was untiring in supervising the arrangements.

Acting on information from the New York Fire Insurance Rating Organization, we cooperated in representations to the superintendent of insurance regarding a proposed ruling affecting fire insurance business. The uniform schedules which have been applied in some sections of the state and are being applied in others naturally in nearly every case produce either an increase or a decrease, although the average is presumed to be practically unchanged. The proposed ruling would have required a refund to the assured in every case where the rate was reduced even though the physical conditions remained unchanged. You can appreciate the chaos which would have resulted in nearly every office had this ruling been put in effect and the rating organization and this association protested. Considerable correspondence with the insurance department ensued and I am glad to report that the matter was finally adjusted on a basis satisfactory to all.

Troubles Could Be Solved by Conference and Cooperation

As I consider the various troubles which have vexed our souls and tried our patience I am impressed by the fact that most of them could have been avoided if all concerned had been willing to "confer" and "cooperate." If the three parties interested—the insurance department, representing the buyer of insurance, the companies and the agents—can only acquire the habit of "conference and cooperation" we can use our energy and our brains in constructive and helpful things rather than in defensive ones. Instead of wondering

what the companies or the insurance department will do next, but feeling sure that whatever it is we won't like it, and so lying awake nights planning how to head them off or beat them to it, we shall work and counsel with them so that each may have the other's viewpoint that the result may be for the general good.

Predicts Real Agents' and Brokers' Qualification Law

Through cooperation with the insurance department I believe that we shall eventually have a real agents' and brokers' qualification law; a curbing of the activities of non-admitted companies, Lloyds and reciprocals; a checking of misleading advertising, and insistence on the part of the department that neither company nor agent organizations shall promulgate any radical change, as for instance the "Central Bureau," without first calling into conference all parties interested.

Cooperation goes further than the insurance department and the companies. Through cooperation with our legislators we can obtain a little needed legislation and prevent a large amount that is unnecessary or harmful. We can cooperate with chambers of commerce and similar organizations in safety campaigns and fire prevention. We can cooperate with automobile clubs in accident prevention and in obtaining better traffic rules and conditions.

And last but not least we can cooperate with ourselves. Cooperation like charity begins at home and unless agents cooperate with each other through local boards or clubs they miss more than they realize; the helpful ideas and suggestions from the other fellow; the friendships that are worth far more than premiums or commissions; the joy of unselfish service, and the opportunities to serve best, not only others but themselves.

You will recall that last year Mr. Beach in referring to the services of our beloved Frank Gardner predicted his

(CONTINUED ON PAGE 43)

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NORMAN K. BUTLER

McPHERSON-CARTER CO.

INSURANCE

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SYRACUSE, NEW YORK

"Central Bureau" Situation Is Reviewed by Secretary Rose

THE annual report of Secretary J. W. Rose, submitted at the annual meeting of the New York State Association at Syracuse this week, was devoted quite largely to a discussion of the association's activities in connection with the so-called Central Bureau for clearing earned premiums undertaken and cancelled policies and binders. Concerning it he said:

"This plan was promulgated not only without consultation or conference with the production forces of the state but without any previous notice that such a scheme was being considered. It provided briefly that the Central Bureau was created within the National Bureau of Casualty & Surety Underwriters; that it should embrace all lines of casualty insurance except accident and sickness insurance and bonds; that it would prepare and furnish to producers uniform order blanks for use in submitting casualty insurance risks to companies and that no company could furnish to agents its own individual forms; that it would perform any other function necessary to carry out its rules and procedure, chief among which was that every producer must submit a signed order from every applicant for insurance or assume liability for the earned premium on any policy issued if it was returned not taken after a period of ten days from its effective date.

Says Superintendent Merely Consented to Plan

"In the notice sent out it was stated that the plan was officially approved and promulgated by the superintendent of insurance and that its operation should be under the supervision of the insurance department. In fact several companies, when shown the many fatal defects in the plan, offered the excuse that it was actually being forced upon them by the superintendent of insurance. On the other hand when this was called to the attention of the superintendent he insisted that such was not a fact and that he had not actually promulgated it at all, but had merely given his consent that the plan be given a trial.

"This proposed plan was a most radical departure from long-established methods and customs for handling casualty insurance in that it destroyed to a large extent the personal contact and relationship existing between an agent and the company he represented and substituted therefor an outside bureau, claiming authority to amend agency contracts at will.

Agents Were Strongly In Opposition to Plan

"Of course, it was our first duty to know the views and sentiments of our membership concerning this plan. This was accomplished through correspondence and through the medium of our regional meetings. It was soon apparent that the agents throughout the state were practically unanimous in their opposition to the plan as it was promulgated because they thought it was unfair, unjust, unwieldy, and impractical, and would not accomplish the purpose for which it was intended, because of the following reasons:

"1. The plan as proposed abrogated and controverted contractual relations existing between agents and their respective companies.

"2. Application of the plan would create unnecessary sales resistance and would often result in assureds being without protection pending unavoidable delays in determining the status of issued policies.

Applied Only to Stock Companies, Not to Mutuals

"3. The plan applied only to stock casualty companies and not to mutuals, thereby subjecting stock companies and

agents to unfair and unwarranted competition.

"4. The plan did not provide for any remuneration to agents to cover the additional expense and work involved including also the direct financial loss resulting from requiring agents to assume the burden of paying uncollectible earned premiums.

"5. The plan did not provide for any reduction in rates commensurate with anticipated savings.

"6. A careful analysis of the plan indicated that its operation would defeat the very purpose for which it was conceived in that possible waste and the free insurance evil would be increased rather than decreased.

Stood on Policy of Compliance and Cooperation

"During the consideration of this matter our association stood squarely on its policy of conference and cooperation regarding all questions that arise between companies and agents. While conducting negotiations for such desired conference, an association of brokers in New York City brought injunction proceedings to have the operation of the plan restrained by court order. After what would seem to be a very thorough and careful consideration by the court, this injunction was granted and the decision has since been affirmed by the appellate division. In the meantime the superintendent of insurance agreed that whatever the court decision might be, he would, at an opportune time, call a conference of companies and agents for the purpose of endeavoring to iron out the difficulties encountered.

"Your officers feel that your objections to this plan were presented in a sane and orderly manner to the companies and to the insurance department, and that the final outcome will be satisfactory to all concerned. We feel, too, that these negotiations have gone a long way towards securing recognition of our established policy of conference and cooperation."

Other Accomplishments of Association Outlined

Other accomplishments of the association for the past year were outlined by Mr. Rose as follows:

"It has been the influence and backing and organized effort of the New York State Association, under the leadership of former President Beach, that has thus far prevented the New York State Automobile Association from endorsing and sponsoring a scheme of mutual insurance service for its members, and that has, with few exceptions, kept local automobile clubs out of the insurance business.

"It was due to the influence of the association acting through its special committee, of which Past President Gardner was chairman, that agents in so-called ordinary territory are now receiving from 1½ to 3½ percent more commission on their fire insurance business than they would be receiving had there been no state association.

"It was due largely to the prestige and influence of our association that President McPherson was able to cooperate so effectively with the Fire Insurance Rating Organization in representations to the insurance department regarding the latter's ruling, and its probable effects, in the matter of refunds on policies covering risks for which rates had been changed by the application of the new uniform schedules, thereby bringing about a satisfactory modification of said rule."

The report gave an enthusiastic review of the successful regional meetings held the past year, and showed a total membership at this time of 797, a gain of 53 over the figures a year ago.

Salesman's Greatest Need Is Better Knowledge of His Line

"NOW THEN—This Matter of Salesmanship" was the title of an address by Assistant Secretary Clarence T. Hubbard of the Automobile at the banquet of the New York agents. He claimed that the need was not so much for greater attention to improved personality, or approach or skilled conversation as there was for a better knowledge of insurance asso-

dealers' policies, knowing what merit rating means, how to insure 'fleets,' handling stock insurance as against mutual, and taking advantage generally of the many little points which mean so much to accurate insurance protection.

"There are comparatively few agents about the country who take advantage of the tornado and windstorm rider. This rider which not only protects against loss from tornado or windstorm but also hail, earthquake, explosion and water damage, and which sells for \$1 per \$1,000, is seldom attached to a man's automobile policy and yet not one prospect out of 25 will ever refuse. There are some agencies that include such a rider on every automobile policy that goes out. This is not merely salesmanship but knowledge applied with salesmanship. And it's a good wager to say that the few agents who do follow this practice have heard of it through a public talk of this kind, or from an insurance magazine, and not by digging out the information in their own manuals.

Reading Insurance Magazines Gives Liberal Education

"An insurance education in itself can be gained in a thorough reading of the insurance magazines. I recently spent an evening with a local agent who is making a good success in a town which incidentally is suffering from business depression. This agent has only been in the insurance business for four years. He reads every insurance journal from cover to cover, doing this at home nights and clipping suggestions and information which can be of assistance to him. The volume of business he is doing, the good experience he has created for his company, and the growth of his business speak for the worthwhileness of this.

"There are no two men who sell alike. It makes no difference whether you sell by conversation or by friendship or through clever ability to open business doors to you by advertising, or through the purchase of a going agency—the one big need today is in associating a greater knowledge of the business with salesmanship, not only in becoming more accurately acquainted with the essential details of the business but also in a broader knowledge of all of the factors which influence insurance.

Should Take Interest In Companies' Problems

"For instance, the agent who is selling fire insurance today should take an interest in reading and studying the companies' problems as well as the country's and community's, and not just sell insurance for the sake of selling or for premium income, which is later disturbed by cancellation or reduction, but to be fair to both parties represented—his client who needs the protection and the company he represents.

"Certainly one cannot sell compensation insurance without some knowledge of compensation methods and laws. We know how the business of life insurance has resolved into one wherein a vast amount of knowledge is necessary in order to make it a worthy success in properly applying it to inheritance taxes, creating living trusts and so on. The accident insurance salesman must know more than the name of the policy, and the bond man—well, he proves that in his business knowledge comes first and salesmanship second. Contractors, lawyers and business men in general do not place bonds with 'high pressure' salesmen. They put such protection with surety bond representatives who 'know their stuff.'

"I described at a recent club meeting what an 'attractive nuisance' was, and how it would apply to a general liability policy, meaning that a barn, for example, frequented by children for play-

(CONTINUED ON PAGE 56)

Past Accomplishments, Future Obligations of Agent Bodies

By FREDRICK V. BRUNS
Past President, New York Association

LIKE every trade association, our early years were years essentially of education. The individual had to be taught that "Man does not live unto himself alone." Our predecessors in the administration of this association had a very difficult problem. Insurance agents were isolated. They had never been taught to think or act collectively and it was only when great difficulties came, that they saw the necessity and the opportunity of cooperative effort. In place of competition among selves there came coordination against bad practices.

Organization Has Proved Its Worth

One does not have to be very old in the local agent's business to remember when it was a debated question whether the local agent actually owned that which he had created. Through organization, judicial decision was given to the principle that to the agent belonged his expirations. Then there appeared on the horizon the dragon of overhead writing. Certain companies with extreme desire for business overlooked their responsibility to their local representatives and again organization proved that a united front could successfully overcome this particularly insidious practice. Not so long thereafter, with the advent of chain stores and centralized control of industry, there came into the local agents' field the giant brokerage organizations in the larger cities and again shock troops had to be called into action and the local representative of great fire insurance companies had to

impress again upon his principals that his territorial rights must be respected.

These achievements, accomplished during the last few years, are not the only major accomplishments. Instead of insurance agents in individual com-



FREDRICK V. BRUNS, Syracuse
President Excelsior Fire

munities existing on the principles of "Dog eat dog" and "Do the other fellow

(CONTINUED ON PAGE 43)

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CLARENCE T. HUBBARD
Assistant Secretary Automobile

ciated with constructive salesmanship.

"Today the matter of buying is made so easy to the public," he said, "that the insurance salesman with his rigid and necessary sales requirements faces a very keen competition that must be carefully weighed. When a man can buy not only a house or an automobile, but all of his home contents, his club memberships, his investments, and so on by the partial payment method, he makes insurance, which to the average person is still looked upon 'as but a promise on paper,' not the easiest thing to sell.

Knowledge of Goods Most Important Asset

"And so the one very important sales asset which every insurance salesman needs is that of 'knowledge of the goods being sold.' The insurance agent who 'knows his stuff' today is the salesman who is going to succeed. He won't succeed by simply knowing his stuff—no. In addition he must have at least some of the attributes of salesmanship, such as persuasion, approach, good nature and so on. But added to all of these or woven in with them, so to speak, must be a better knowledge of his policies.

"You men who are salesmen will readily admit that any aggressive man of average intelligence with some qualifications of salesmanship or some little experience along selling lines can go out and sell ordinary automobile insurance, fire insurance, life insurance, burglary insurance following some big hold-up, or after an immediate riot or explosion, explosion and riot and civil commotion insurance. Whether he sells these forms of protection right or not is another question. Whether he gives the policyholder the kind of a policy he should receive is another question.

Even Automobile Insurance No Longer Simple Proposition

"Even automobile insurance is not such a simple sales proposition any more. Today it is not only a matter of selling a man fire and theft insurance for his car but of properly prescribing the higher limits needed in the way of automobile liability insurance, in being familiar with the various automobile

OHIO—WEST VIRGINIA

(CONTINUED FROM PAGE 31)

regarding the erection of a new state office building.

Loss at Hamilton, O.

Insurance companies suffered a loss which may reach as much as \$100,000 when fire attacked the Robinson-Schwenn department store at Hamilton, O., Friday evening. The fire started in the basement and the smoke was so dense that it was four hours before the department could get in to put out the fire. The fire damage proper was confined to the basement, but the smoke, water and smudge damage extended to the entire property. This department store carried use and occupancy and rent insurance.

Take Over Fort Meigs Mutual

COLUMBUS, O., May 24.—The Ohio department has taken over the Fort Meigs Mutual of Toledo and will liquidate it, William C. Safford, superintendent of insurance, announced.

The action is unopposed, and officers of the association, when called before Mr. Safford, signed waivers of their rights, submitted to the department's action, and were said to have admitted insolvency of the association. It is only about one year old, and handled farm fire risks.

The liquidation will take place within the department as a matter of economy, Mr. Safford said.

Ohio Notes

In place of the Union of Canton, the Jones-Haas Company in Cincinnati has

taken the agency of the United States Merchants & Shippers.

The Guntrum, Meyers & Clemons agency in Cincinnati is now representing the Franklin National.

Edward Winter, Jr., of the E. A. Winter Insurance Agency in Cincinnati is to be married June 28 to Miss Madeline Martz.

The A. W. Shell Agency in Cincinnati has taken on representation of the Northern of New York and the United States Fire.

David H. Moore, superintendent of agents for the National Liberty group, was in Ohio last week for a conference with field men of these companies.

William H. Kees, who has been manager of the National Liberty office at Cleveland for the past 45 years and who recently retired, has left for a trip abroad.

Earl Wagner, president, and Joe Schweer, secretary, will be the official delegates of the Cincinnati Fire Underwriters' Association at the state convention in June.

L. A. Balles, Ohio state agent of the Crum & Forster group, has moved his office from the Hartman Theater building to the Citizens Trust & Savings building, Columbus.

Fire Monday destroyed the Hulhizer mill at Newark, O., with a loss of \$30,000. More than 10,000 bushels of grain were burned. Firemen answered four alarms in the night, giving rise to reports that a firebug was abroad.

A \$75,000 fire at Warren, O., caused damage to the following places of business: Lewis & McWhiter drug store, Federal bakery, Lucas confectionery, Citizens' Bank and a barber shop. The fire started in the market house.

Ray Hebbler, who has been with the A. W. Shell agency in Cincinnati for the past six years, recently as the cashier in the office, has become office manager for the Thomas Wood agency. Bernard Stentz succeeds Mr. Hebbler as cashier in the Shell office. He is to be married May 28 to Lenora Roach.

sound foundation and structure. He predicted lower interest returns in the future on insurance savings but he maintained that the gradual reduction of the death rate through modern hygienic methods will easily overbalance this trend.

Provide for Capital Decrease

SPRINGFIELD, ILL., May 25.—Senate bill 550, introduced by Senator Kessinger, amends the insurance law to permit a stock fire company to amend its charter in order to decrease the amount of its capital stock. The statute now permits the company to increase its capital stock but is silent on the subject of decrease.

Warrants for Land Value Officials

LANSING, MICH., May 24.—Following an investigation by Commissioner Livingston into the activities in this state of the National Land Value Refunding Company, whose address is given at 52 William street, New York, warrants have been asked in Wayne county for the president of the company, H. Lincoln Beach, and the Michigan solicitor, whose name was not disclosed.

The company is not licensed in this state but the commissioner discovered that efforts had been made to sell land value guarantee insurance here, one particular instance at Flint being un-

covered where coverage had been sold, but it was found that the premium had been returned. It is the opinion of the commissioner that both of the men sought have left the state, but issuance of the warrants, he believes, will keep them out permanently.

Will Make Trip Abroad

LANSING, MICH., May 23.—As a recognition of her long and valuable service to the agency, the Dyer-Jenison-Barry Company of this city has granted Miss Mina Karkau, assistant treasurer of the agency and a trusted employee for 20 years, a two months' leave of absence with full pay this summer in order that she may make a trip abroad. Miss Karkau will visit all of the leading agencies and insurance offices, linked with the Lansing company in the countries she touches. According to her present plans, Miss Karkau will leave Lansing about July 1, sailing on the Cameronia, returning on the Berengaria eight weeks later. She plans to make tours through England, Scotland, France and Switzerland and she will visit a brother who is manager for the Standard Oil in Paris.

Stephen D. Sexton, Jr., well known local agent of East St. Louis, Ill., has been reelected president of the East St. Louis Park Board for the sixth consecutive year.

STATES OF THE NORTHWEST

HOLD FIRST FARM INSPECTION TO AMEND STATE HAIL LAW

Unique Experiment Under Way in Wisconsin Which Is Expected to Furnish Valuable Data

MADISON, WIS., May 25.—What is considered to be the first inspection of its kind ever attempted in the country is under way in the township of Sun Prairie near Madison, Wednesday and Thursday of this week, when farm and other buildings outside the village itself are being inspected as to fire hazards. The inspection is under the direction of E. O. Spink and other members of the farm fire prevention committee of the Wisconsin Fire Prevention Association. A preliminary meeting of the inspectors was held in Madison on Tuesday night to make final plans for the inspection work.

"This inspection is an experiment in inspecting farm risks," said Mr. Spink. "We have taken what we believe is a representative township in Wisconsin and are to hold a two-day inspection there, similar to those held in cities by the association. We want to find out what the hazards on the farm are. We are not stopping at inspecting farm buildings, but will go over schools, halls, cheese factories and any other buildings in the township outside of the village of Sun Prairie.

"The findings of our inspectors will be compiled and turned over to the actuarial bureau, which will analyze them. The reports will give us some definite working basis for farm risks."

Inspection of Waukesha, Wis.

WAUKESHA, WIS., May 24.—The Wisconsin Fire Prevention Association ended its inspection of towns and cities for the season when it inspected this city last week. Conditions were found to be average with those of other Wisconsin cities inspected this year, no serious defects being located by the 41 inspectors. There were 283 buildings inspected, of which 207 were found to be defective. The total number of defects was 586. Roy Nicholson, Thomas Larkins and George Leonard addressed 2,097 school children.

While inspecting one building, a member of the association smelled smoke, and upon investigation he found it coming from the next building, where the occupants had forgotten to plug up a chimney hole. The stock near the chimney was about ready to burst into flame. The annual meeting and election of officers will take place at the field club meeting at Delavan Lake, June 21-22.

Manager of North Dakota Fund Lists Changes Needed to Improve Operation of Department

FARGO, N. D., May 25.—Minor amendments to the state hail insurance law are necessary to improve the operation of the department, Martin S. Hagen, manager of the state hail insurance department, told members of the County Auditors Association of North Dakota in convention here.

Among changes proposed by Mr. Hagen are a slight revision of the terms on which crops are insured and withdrawn, new provisions regarding the insurance of land held by the Bank of North Dakota, state school lands, non-taxable county lands, homestead and Indian lands. The department has prepared bills covering the various changes which its experience has indicated would be advisable, Mr. Hagen said, and will present them at the next legislature.

Another provision would constitute the governor, attorney general and insurance commissioner as a board of three which would be authorized to refuse to grant insurance for one or more years to persons with whom the department has encountered serious difficulty in making adjustments of claims for indemnity by reason of the unreasonable attitude of the claimants.

Mr. Hagen also would have a provision in the law permitting county commissioners to reduce the number of acres shown as listed for hail indemnity when proof is made that the number of acres cropped was actually smaller than the acreage listed. The insurance commissioner also would be authorized to abate hail indemnity taxes which may be wrongfully levied and to refund such taxes in cases where they are wrongfully collected.

The plan of districting the state for the purpose of levying assessments proportionate to the loss has worked out satisfactorily, Mr. Hagen said.

Plan North Dakota Inspections

FARGO, N. D., May 24.—About 30 members of the North Dakota Fire Prevention Association attended a meeting held here. In view of the fact that Fargo has entered the national fire waste contest of the U. S. Chamber of Commerce, it is planned to hold a continuous fire waste program until the close of the contest. It is planned to inspect Fargo early in September. New Rockford and Carrington will be inspected May 31 and June 1, respectively.

Fire prevention on the farm was dis-

CENTRAL WESTERN STATES

GRIEVED BY WRIGHT'S DEATH

Prominent Local Agent of Port Huron Died in Hospital at Ann Arbor Sunday

PORT HURON, MICH., May 25.—Death at St. Joseph's hospital, Ann Arbor, Sunday of Harry H. Wright, prominent local agent here and former president of the Michigan Association of Insurance Agents, caused sorrow this week to his acquaintances here and his insurance friends throughout the state. Mr. Wright, as president of Wright Hoyt & Co., considered this city's largest agency, founded in 1897, was widely known and unusually well-liked. He was, up to the time of the latter's death, a particularly intimate friend of the late Fred Guenther, Detroit local agent. Mr. Wright was about 58 years old. Funeral services were held at the home Wednesday afternoon and many insurance men attended.

Wants Time to Straighten Affairs

LANSING, MICH., May 25.—Additional time was asked of the Michigan insurance department this week by Swaby B. Lawton of Hancock, in the threatened action by the department to place the Cloverland Mutual Fire of Hancock in receivership. Mr. Lawton contended in his letter to the department written in answer to a recent one dispatched to company officials ordering them to show an immediate improvement in conditions or prepare to have a receiver appointed, that a genuine need exists for the mutual company and its passing would be felt in the upper peninsula counties where it has operated since 1921. He points out the fact that the mutual still is assuming about \$2,400,000 liability and maintains that it can be put into strong financial condition if the department is willing to "apply the pulmotor rather than officiate at the funeral."

An assessment of \$1 per \$100 coverage has been levied upon the company's assessment membership, he said, and collection of this extra premium, together with a 60-cent levy on the prepaid premium business, is expected to help considerably toward bringing the mutual "out of the woods."

IMPORTANCE OF INSURANCE

Is Stressed by Commissioner Charles D. Livingston of Michigan in Address Given at Saginaw

SAGINAW, MICH., May 25.—Higher calibre personnel, greater consideration for the public's interest, and co-operation with state regulation are encouraging aspects of the insurance scene today, according to Commissioner Charles D. Livingston in an address last week at a special joint meeting of the Saginaw Insurance Exchange and the Saginaw County Association of Life Underwriters. The Michigan department head, who is an insurance man of more than a score of years' standing himself, was distinctly optimistic in his predictions for the business. He reviewed briefly the progress shown in several of the leading branches of insurance, declaring that virtually all of these lines have now reached a condition of financial stability and underwriting soundness which make them keystones in the financial structure of the nation.

Investigation Was Beneficial

Commissioner Livingston told of the immense importance to the state of insurance regulation, from a tax standpoint alone, as he said the state netted approximately \$3,200,000 from the premium tax for the past fiscal year. The speaker not only outlined insurance conditions of the present but sketched its history, telling of the turbulent times when the companies were under fire of the New York newspapers. The investigation of that time, he maintained, was a real source of betterment as the companies were shown in a convincing way their own shortcomings and their reformation has been complete and revolutionizing to the business.

Mr. Livingston held that life insurance, since its remarkable growth of the last decade or so, has been placed on perhaps the best business basis of any of the country's great enterprises. He said that fire insurance is rapidly taking rank with life in having developed a

passed and several new ideas were advanced to be taken up with county agents. An association committee will be appointed at once to take up activities along this line and work for cooperation with the agents and farmers.

Lindquist Insurance Club Speaker

MINNEAPOLIS, May 24.—Gustaf Lindquist, president of the Travelers Equitable, was the principal speaker at today's meeting of the Insurance Club of Minneapolis. He explained the functioning of the state insurance department, of which he was at one time head.

Get Grain Association Tax

MILWAUKEE, May 24.—Milwaukee is one of four cities in Wisconsin profiting from the receipt of fire department dues on insurance premiums written through the Underwriters Grain Association from 1918 to 1926 and only recently reported, according to Commissioner Freedy. The back taxes paid amounted to \$21,102 and are allotted as follows: Milwaukee, \$4,444; Green Bay, \$19; Manitowish, \$2,586; Superior, \$14,051.

Claim Oil Plant Creates Hazard

MINNEAPOLIS, May 24.—A group of Minneapolis property owners has gone into district court seeking a restraining order against the W. H. Barber Co., one of the largest gasoline and oil distributing companies in the Twin Cities, located at 1501 Franklin avenue S. E. The residents in the vicinity of the plant charge that the company uses its plant in violation of the city ordinance and in a manner hazardous to the safety of their homes.

There is a daily average of 20 tank cars on spur tracks adjoining the plant, the complaint alleges. The ground is soaked with oil and grease, they charge, and there is continual danger of a fire. Attorneys for the plaintiffs state that they will take the case to the federal court.

Stresses Individual Responsibility

Speaking before the Southwestern Minnesota Firemen's Association meeting at St. James, Charles R. Gove, rate supervisor of the Minnesota insurance department, said that failure of individuals to sense their responsibility in fire prevention was one of the main factors leading to heavy losses. "Despite the fact that fire destroys more than \$500,000,000 worth of physical property in the United States every year, the average citizen does not seem to sense his connection with it; in fact, most citizens treat the entire affair as if it were no concern of theirs," he said.

"This is an attitude that cannot be found anywhere else in the world. It is more startling in view of the high order of intelligence of the average citizens of the United States and in view of the effort that has been made to educate the people of the United States in fire prevention."

Wallie Anderson of Mankato was elected president of the association, August Neven of Springfield, vice-president and C. M. Haddon of Windom, re-elected secretary-treasurer. Next year's meeting will be held in Mankato.

Arson Arrest Made

Chester Stenstrom, Streeter, N. D., pool-room operator and a stockholder in the Streeter Milling Company, was arrested at Streeter by Deputy State Fire Marshal Pederson on a charge of arson in connection with the burning of the Streeter mill, Feb. 23.

Mr. Pedersen said that the milling company collected insurance on more than 700 sacks of flour but there was no salvage and no evidence to show that the flour was in the mill.

Will Stop Reckless Driving

MINNEAPOLIS, May 24.—Two firemen were killed and eight injured when two fire trucks collided in Minneapolis last week. In the investigation which followed Chief Ringer charged that political interference with the fire department has encouraged subordinates to flout rules against reckless driving.

In addressing the firemen Chief Ringer said: "Through political interference with the fire department, you have been encouraged to ignore orders of your chief. The result is that two lives have been sacrificed and between \$6,000 and \$7,000 worth of property has been destroyed. Possibly through the charter and civil service rules I haven't much authority, but I have a responsibility and duty to perform. I will perform this

duty even if I have to adopt drastic measures."

Chief Ringer intimated that not only the drivers, but those in command who permit them to drive recklessly, will be held accountable. If an officer is aboard a piece of apparatus that doesn't follow department rules regarding safe driving, he will be "busted" the chief declared.

Shows Danger in Gasoline

MILWAUKEE, May 24.—"Five gallons of gasoline properly vaporized have as much explosive force as the 500 pounds of dynamite used to blow up the school house at Bath, Mich.," declared Frank R. Daniel, chief engineer for the Wisconsin Inspection Bureau, at the Tripoli Club luncheon here Friday. Mr. Daniel brought out this timely comparison to impress his audience on the precautions which should be taken with gasoline.

"But the gasoline would have differed from the dynamite, in that all of the gasoline would have exploded whereas all of the dynamite did not, thus proving that gasoline should be handled with care and not allowed to lie around promiscuously in buildings."

Minnesota Notes

George E. Perley, 73, pioneer resident of Moorhead, Minn., and for many years actively engaged in insurance, died at his home there May 17. Mr. Perley twice represented Clay county in the Minnesota legislature and was active in civic affairs.

Edward H. Golden, who was convicted last November in the Minneapolis district court of setting fire to his automobile for the purpose of collecting his insurance, has been denied a new trial. Golden was found guilty of arson in the third degree and is under sentence of one to seven years in the penitentiary.

Dakota Notes

Conditions in the fire district of Bismarck, N. D., for the most part are satisfactory, according to Harry Thompson, fire chief, after a detailed inspection.

Miss Marie Jeanette Cray, daughter of Mr. and Mrs. A. W. Cray, Fargo, became the bride of George S. Ryan of Minneapolis at Fargo May 18. Mr. Cray is associated with the Cray-Turner Insurance Agency.

Henry Knuth was sentenced to one year in jail when he pleaded guilty to arson in the fourth degree when arraigned in Stutsman county, N. D. In sentencing Knuth, Judge Coffey said that it appeared that Knuth had no active part in the burning of the elevator at McHenry, outside of guilty knowledge.

Wisconsin Notes

Richard E. Verner, manager of the fire prevention department of the Western Actuarial Bureau, addressed the Kiwanis club of Eau Claire, Wis., last week and also spoke before the students of the Eau Claire normal school.

John E. Snyder, special agent in Wisconsin for North British and Mercantile, and Mrs. Snyder have returned to Milwaukee after visiting the home office in New York City, and spending a short time in Philadelphia on the return trip.

Robert Wood, formerly an engineer with the Wisconsin Inspection Bureau at Milwaukee and now a special agent in the Michigan field for the Home, stopped off at the Wisconsin Bureau for a short visit last week, on his way home after having been through the upper peninsula of Michigan.

The marriage of Miss Lillian Sheeran, stenographer at the Wisconsin Audit Bureau, Milwaukee, to John Klossner, Inspector for North British & Mercantile in Minnesota, has been announced. The ceremony took place in Milwaukee. Mr. Klossner formerly was with the Wisconsin Audit Bureau in charge of its map department. Mr. and Mrs. Klossner will reside in Minneapolis.

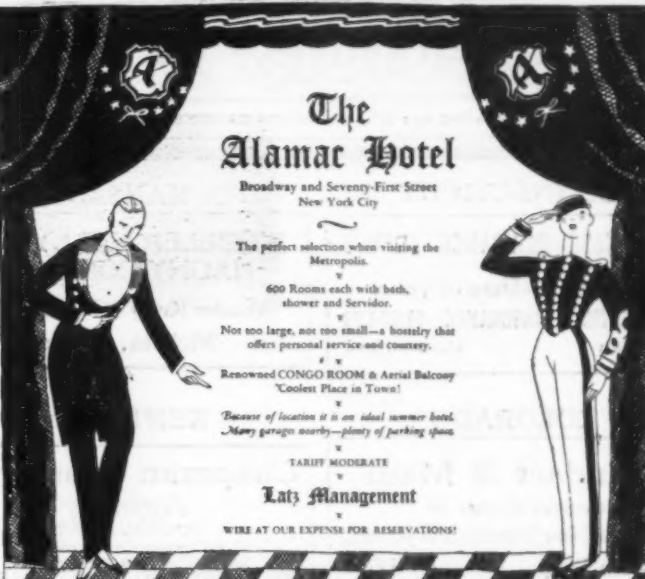
THE MISSOURI VALLEY

KANSAS AGENTS ARE WARNED

Superintendent Baker Calls Attention to State Laws Governing Insurance in Unlicensed Companies

TOPEKA, KAN., May 25.—Kansas insurance agents who undertake to sell insurance in non-admitted companies may find themselves in deep financial trouble if the companies should fail to pay any losses. This is the notice served this week by Superintendent William R. Baker upon all the agents of fire com-

(CONTINUED ON PAGE 37)



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(CONTINUED FROM PAGE 35)

panies in the state and also the companies doing business in this state. The companies are asked to caution their agents against handling the business of non-admitted companies. Some years ago a case came up to the supreme court in which an agent had written some fire business in a non-admitted company. The supreme court held that the agent was personally liable to the policyholder when the company failed to pay the loss and could not be reached by a lawsuit. The court held that any resident agent in Kansas who wrote business in a non-admitted company could be held liable for all losses to the policyholder.

Mr. Baker has received several copies of circular letters being sent out by a Chicago brokerage house to Kansas agents. The circular sets out that the brokers understand the hard competition of reciprocal and mutual organizations because of lower rates. The circular then goes on to explain that as the companies the brokers represent are not admitted to Kansas they are not subject to the various fees and premium taxes collected in this state and therefore they can write the business at a lower rate than the admitted stock companies and this is said to bring the rates down to approximately the same basis as the mutual and reciprocal companies.

Kansas Code Becomes Effective

The statute book for the Kansas legislature of 1927 will be published next Wednesday and with its publication the new Kansas insurance code will go into effect. The state printer and the secretary of state have the printing of the session laws in such shape now that

they have been able to announce that the laws will be printed officially July 1 and thus become effective on that date.

After July 1, William R. Baker will be Kansas commissioner of insurance instead of superintendent of insurance. The agents' qualification law will be in effect. The insurance year is changed from March 1 to May 1 and all the companies are required to submit policy forms before using these forms in this state. There are numerous other important changes in the insurance laws in the new code.

Stubbs Agency Reorganized

The Stubbs Insurance Agency of Cedar Rapids, Ia., has been reorganized. The officers now are: L. H. Stubbs, president; E. E. Wilcox, vice-president; L. Rubek, secretary-treasurer; A. C. Hoblitzell, assistant secretary.

Mr. Wilcox entered the firm very recently. Mr. Rubek has been identified with the organization for 20 years and Mr. Hoblitzell has been assistant secretary of the company for six months. The agency was organized by J. S. Anderson in 1875. Mr. Stubbs has been in charge since the death of Mr. Anderson in 1915.

Promote Fire Waste Contest

The inter-chamber fire waste contest committee of the Missouri Fire Prevention Association visited Mexico, Mo., last week to confer with the fire waste contest committee of the Mexico Chamber of Commerce, which is headed by J. F. Barclay, a prominent local agent and member of the city council. The committee from the Missouri association presented several constructive ideas for a year around fire prevention campaign. Mexico recently sustained a severe fire involving three buildings in the mercantile section of the town and this is expected to add interest to the activities of the

fire prevention committee during the coming year. Mexico has been entered in the inter-chamber fire waste contest for several years.

Discusses Insurance Legislation

SIoux CITY, IA., May 24.—At a meeting of the Fire & Casualty Underwriters of Sioux City, Ralph C. Prichard told of the work of the recent legislative session, as affecting insurance. Mr. Prichard was at the head of a subcommittee to consider several bills designed to compel automobile owners to show financial ability to compensate any persons whom they might injure, but no workable plan was made and no measure passed either to license drivers, compel them to carry liability insurance or to show financial responsibility in other ways.

Mr. Prichard stated that the only real insurance legislation passed related to the investment of the surplus of companies.

St. Louis Losses Decreased

ST. LOUIS, May 24.—The estimated fire loss in St. Louis for the fiscal year ending April 8, 1927, was \$1,000,000 less than for the corresponding period in 1925-26 according to the annual report of Fire Chief Alt to Director of Public Safety Brod. The estimated loss was \$2,409,627, excluding the Odeon Theater building fire, which caused \$200,000 damage and the Thuner planing mill fire, estimated loss at \$60,000. Both are in process of adjustment. The 1925-26 loss was \$3,729,698.

Defective flues caused 235 fires, cigar and cigarette butts were responsible for 139, hot ashes 162 and matches 95.

McCoy to Be Omaha Pond's Guest

Grand Guardian D. L. McCoy will represent the grand nest of the Blue Goose at the big stag party of the Nebraska pond in Omaha June 17. This will be one of the largest affairs in the history of the pond and the members are planning many special features during the meeting.

Iowa Blue Goose Luncheon

DES MOINES, May 24.—At the Blue Goose luncheon Monday C. S. Denman, manager of the Des Moines Water Company, gave an illustrated address on early days in Des Moines. Pictures were thrown upon the screen of early business houses and residences with an occasional picture of an early settler. Musical numbers were rendered by Miss Ruth Fee of the conservatory of music at Drake University and Miss Caroline Riddle of the piano department at Drake, a daughter of J. E. Riddle of the Western Adjustment.

Coming events claimed much of the attention of the field men. June 7 is the date for the annual meeting of the State Fire Prevention Association. R. E. Veror will be present and another notable

speaker has been invited. The annual meetings of the two field clubs will be held the same day.

Plan Insurance Exchange for Omaha

OMAHA, NEB., May 24.—Plans are under way for the erection of a 10-story building on ground owned by Guy Liggett at Nineteenth and Dodge streets, to be used as an insurance exchange building. The building will cost approximately \$1,000,000 and if built, will be financed in Chicago. Napoleon Picard, Chicago real estate operator, who erected the Insurance Exchange building in that city, has been negotiating with Mr. Liggett for some months.

Two surveys have been made of the insurance companies of the city as to the length of their present leases, floor space and rentals. The first questionnaire sent out in March to 160 companies brought 70 replies, with the larger number in favor of the proposed building. If there are not enough insurance tenants to fill the building, it is the intention of Mr. Liggett to take in realty firms and name the building the Insurance and Realty building.

Iowa Notes

Miss Helena Mitchell of Davenport has become an inspector for the Iowa insurance department.

Nelso Hansen, president of the East Des Moines Club, and a prominent civic leader there, will open an insurance agency.

After fifteen years as an insurance agent at Sidney, Ia., E. H. Harrison has sold his interest in the Harrison-Estes agency to George Gilbert. Mr. Gilbert has not yet made known his plans for the future.

Ben Kloster, well known Travelers agent in Sioux City, Ia., is now well along the road to recovery from a recent mastoid operation performed in Iowa City. Mr. Kloster was near death for many days.

J. Fletcher Park of Belle Plaine, Ia., by the recent purchase of the insurance business of Ahrens & Sweet, has effected the consolidation of two of the large insurance agencies of that town. About a year ago, upon the retirement of Tom Malcolm, Mr. Park purchased the insurance business of Mr. Malcolm.

Nebraska Notes

Voters at Beatrice, Neb., turned down a proposition to vote bonds of \$30,000 for building a reservoir to add to fire protection and water reserves.

Water Commissioner Schroeder of Lincoln, Neb., has brought in the fourth and last well connected with his plan for developing a larger water supply for the city.

Complaint has been drawn charging George Frickel of Lincoln, Neb., with arson in connection with a fire in an old duplex house at 1620 J street, burned April 4. Firemen found five different fires burning in as many rooms, and under a sofa a wad of newspapers soaked with kerosene.

STATES OF THE SOUTHWEST

OIL MILLS IN BETTER SHAPE

Decided Improvement from Insurance
Standpoint Noted in Texas—Six
Losses for Past Season

DALLAS, May 25.—One of the most interesting and profitable of the industries kindred to cotton raising, in Texas at least, and having perhaps the most far-reaching scope of any similar enterprise is that of manufacturing the numerous products from cotton seed. Second only to the handling of the actual cotton in bales is its place in insurance experience. The large cotton crop of 1926, now history in Texas, produced a corresponding increase in the seed supply at the mills, amounting to a 35 percent increase over the previous year, which was reflected in the greater activity at the mills. Out of 183 active mills in Texas, only nine were idle during the crushing season and the average running time of the mills for the season was 5.75 months for the 174. Of these, six mills sustained fire losses, two of them being total and four partial.

In the past year there has been noted a marked difference in the attitude of the oil mill owners toward improved

conditions of their mills. The insurance companies have helped to bring about this change by their general refusal or their reduction in the lines carried. Some of the operators have found it difficult to secure coverage and as a result they are beginning to realize the necessity of making their mills more attractive from an underwriting standpoint. Oil mill journals are giving space to the subject and featuring articles from mill superintendents advocating a closer cooperation with the insurance inspector, whose recommendations are receiving more attention, with promises of further improvement after the crushing season is over. However, there is still much to be accomplished in improving the oil mill class, and it is believed that the continued firm stand of the companies in treating this class of business with caution will have considerable influence in effecting the desired result.

Excess Companies Bore Loss

DALLAS, May 25.—A check of insurance losses in the recent storm which damaged Garland, Tex., and wiped out Nevada discloses that the excess companies sustained 75 to 80 percent of the losses. The Republic had a large amount of insurance, having the Nevada

School with \$20,000 insurance; the Gulf also had considerable business. The Northern had the Farmers Cotton Gin Company at Garland and the Home had the oil mill at Garland.

Scruggs Forms New Company

The Great State Insurance Company of Dallas was granted a charter by the Texas department last week to write fire insurance. The company has \$200,000 capital and surplus of same amount.

Stockholders are Gross R. Scruggs, Stuart B. Scruggs, Robt. B. Price, Robt. S. Graham, J. S. Yantis, Margaret Scruggs Caruth and O. D. Brundidge, all of Dallas. Gross R. Scruggs, head of the well-known Dallas general agency bearing his name, is to be president of the company.

The stock was subscribed by Dallas business and financial interests. The company is expected to be writing business by June 1. It is announced the capital will be increased to \$500,000 at a later date. Gross R. Scruggs and his associates, for years in the insurance business, will be general agents for the company.

Shows Dallas Is Insurance Center

The Chamber of Commerce monthly publication "Dallas" in its May number calls attention to the fact that Dallas, Tex., is becoming an important insurance center, with seven life companies, six fire, two casualty and two accident and health companies maintaining home offices in Dallas. In addition, there are 166 insurance agencies operating in the city. The June issue of "Dallas" will be devoted primarily to the insurance business of the city. Local authorities have been called on to furnish material and information for the number and every phase of insurance will be explained by men prominent in their particular fields.

Arkansas Association Meeting

The Arkansas Association of Insurance Agents will hold its annual meeting at the Marion hotel, Little Rock, June 21. It was postponed recently on account of flood conditions.

"Hot" Town Due to Smoking Flappers

FORT WORTH, TEX., May 25—Married women who are wooing the seductive influence of Lady Nicotine and keeping the habit a secret from their husbands, and flappers who are puffing fags at dances, home and in business houses, are blamed for the heavy fire losses in Fort Worth the first five months of the year by Fire Marshal Ligon. The fire losses of Fort Worth for the five months amounted to more than \$700,000.

The fire marshal declared many married women smoke cigarettes and keep the habit from their husbands, chuck lighted cigarette stubs between mattresses, under rugs, and most anywhere else when hubby happens about the house unexpectedly. This causes fires, he says. The fire marshal declares several fires in residential districts where losses were heavy have been traced to such origins. Fire Marshal Ligon says flappers are also blamed for fire losses. He says they get excited in their discussions and flick fire from a cigarette on a bed, a rug or in draperies and a blaze results. He goes further and says their smoking at dances and in the business district is causing a good number of blazes.

Make New Survey of Tulsa

TULSA, OKLA., May 24.—A survey of Tulsa relating to fire hazards and protective measures has been started by the National Board. The present survey is supplementary to one made in April, 1925. Recommendations made following the 1925 survey, in the main, have been complied with, it is said. It is believed by city officials, who sought the survey, that Tulsa will be re-rated, and a reduction in fire insurance rates will be obtained when results of the survey are made known.

Confer on City Insurance

OKLAHOMA CITY, May 24.—A committee composed of Harry Carlin, president of the Oklahoma Association of Insurers; E. R. Ledbetter, president of the Associated Fire & Casualty Underwriters of

Oklahoma City, and Herbert Helman of Al Helman Company, was appointed to confer with the newly installed city manager in regard to putting Oklahoma City property insurance on a non-political, scientific basis. The idea is to distribute the insurance on all city buildings more generally among the agencies of the city, on a similar basis to the fire insurance policies on the city schools. Insurance for city schools is issued on a blanket rate, handled by a committee of insurers, who work out a plan of equitable distribution among the agents of the city, in proportion to the age and standing of the agency, the number of companies they represent, and similar qualifications. The plan as worked out with the school board is saving money for that body, it is said.

E. M. Fry, city manager, looked with favor upon the proposition and said he would have a survey made of the city property before another conference would be held.

Hix Makes New Connection

Roy M. Hix, who has been with the division of estimates of the Arkansas Fire Prevention Bureau as a rating inspector for sometime and has been very active in the fire prevention field, is now with Akers & Co. of Memphis as Arkansas representative, selling fire extinguishers and fire protection devices for that firm.

Can't Write at Arbitrary Rate

AUSTIN, TEX., May 24.—An insurance company may not write a fire policy covering property in various locations at an arbitrary rate having no relation to the scheduled rate promulgated by the Texas Insurance Commission for similar property in these same locations, Assistant Attorney General Cousins ruled in an opinion to T. M. Campbell, secretary of the Insurance Commission. The commission may not approve policies or rates which operate to discriminate as between individuals.

The commission may classify property for fire insurance rating purposes, but can not do so on an arbitrary basis. There must be a reason in or incident to the property itself on which classification must be made. Classification may not be made on the basis of ownership.

Entertain Farm Loan Men

HOUSTON, TEX., May 24.—Between 200 and 300 secretary-treasurers of the National Farm Loan Association of Texas, meeting in Houston for the tenth anniversary celebration of the Federal Land Bank, were entertained by Cravens, Dargan & Co., general agents, Friday night.

Many of the secretary-treasurers are agents for Cravens, Dargan & Co. Long time loans on Texas farms and long time notes on hail and tornado insurance have proved very profitable, K. S. Dargan, vice-president of the company, said.

"Out of more than \$1,000,000 insurance premiums, most of which was in note form, our losses have not reached \$1,000," Mr. Dargan told the gathering.

Dallas Fire Record

DALLAS, May 24.—Fire Chief Myers' report for the fiscal year ending April 30 shows a decline in the fire record of \$600,000. Grass fires were the cause of the greatest portion of the loss, while defective flues and trash fires and carelessness contributed a large part of the remainder, although 41 were attributed to arson. Chief Myers stated that the growth of the city and the heavy traffic on the downtown streets had greatly reduced the efficiency of the central station and recommends a new one near the downtown district but out of the heavy traffic area, rather than enlargement of the present central station. He submitted a plan for the consolidation of that station and the No. 2 station at 2516 Commerce street. A new hose company in Trinity heights and a drill tower for the training of new firemen are other recommendations.

Improve Protection at Marfa

Marfa, Tex., is installing a new water supply for fire protection which is expected to be completed and in service by June 1. The supply is obtained from a single well on air line, flowing into a concrete reservoir, from which the water is pumped into an elevated tank. The pressure will be gravity from the tank but with direct pressure available for the fire-fighting apparatus of the fire department. The town has ordered

1,000 feet of new hose and apparatus. Men from the government fort adjoining the city will answer all alarms, and the hose will be transported by government apparatus. The new system will give two or three good fire streams in any part of the business district and one or two good streams will be available in the principal residence sections. However, some Mexican sections are still under poor protection and some have none at all.

Start Improvements in Dallas

DALLAS, May 24.—In the hope of obtaining a credit instead of a penalty from the State Fire Insurance Commission, Police and Fire Commissioner Parker has launched an extensive program of betterments in fire-fighting methods in Dallas. The drill tower requested by Fire Chief Myers will be provided, new equipment will be installed at certain strategic points and shifts in the present equipment recommended by the commission will be made. By making the improvements suggested by the commission, it is hoped to eliminate the present 3 percent penalty and secure a credit instead.

Name Insurance Advisory Committee

DALLAS, May 24.—J. Barney Davis, newly elected finance commissioner of Dallas, asked the Dallas Fire Insurance Exchange to appoint a committee of four to act in an advisory capacity with the city commission in all matters affecting insurance. C. R. Burton, chairman; Dallas Smith, Don Houseman and Evans B. Keeling have been appointed and will cooperate with the fire prevention council and advise with the city on its insurance purchases, rates and bonds.

Ledbetter Heads Safety Council

OKLAHOMA CITY, May 24.—E. R. Ledbetter, president of the Associated Casualty and Fire Underwriters of Oklahoma City, was elected treasurer of the

Oklahoma City chapter of the National Safety Council at a meeting of the board of governors. H. G. Hatfield was made president; R. A. Weicker, first vice-president; J. R. Barton, second vice-president; Howard W. Huntley, secretary. The observance of Safety First Week will be under the supervision of this official staff, scheduled for the last of May.

New Dallas Adjustment Company

DALLAS, May 24.—The Young Adjustment Company is a new entrant in the Texas field, being under the supervision of Alden S. Young, who has offices in the Mercantile Bank building.

Mr. Young was formerly connected with the Moore-Beville Adjustment Company's Wichita Falls office. He will give special attention to the handling of automobile losses.

Texas Notes

The Bates Adjustment Company is opening another branch office at Tyler, Tex., under the supervision of Horace Helms.

Fire originating in Rolley's cafe at Breckenridge, Tex., destroyed five buildings with loss estimated at more than \$30,000. An explosion caused by gases accumulating between the roof and the ceiling of Braly's grocery blew the roof entirely off, pushed out a side wall and injured a number of spectators.

Oklahoma Notes

The Southern Adjustment Company of Tulsa has been chartered by J. Rea Owen, W. T. Owen and H. F. Fulling, all of Tulsa, Okla., for \$10,000.

The Boynton building, Kingfisher, Okla., was burned with estimated loss of \$15,000. The building was occupied by the Oxford cafe, Army & Navy store and offices on the upper floors.

W. B. Clinite, manager of the Oklahoma Audit Bureau, was special guest and speaker at the weekly meeting of the Associated Fire & Casualty Underwriters of Oklahoma City Saturday.

IN THE SOUTHERN STATES

RECORD GIVEN FOR ALABAMA

Total Premiums for Fire Companies in the State Last Year Amounted to \$10,731,542

The total fire premiums in Alabama last year as reported by Insurance Commissioner Julian amounted to \$7,108,682, losses \$3,283,500. The loss ratio last year was 44.03 percent. This was the lowest it has been for many years. In 1895 it was 63.72 percent; in 1924, 64.38 percent; in 1923, 50.58 percent; in 1922, 58.08 percent; in 1921, 69.37 percent. The total premiums written by fire companies, being fire and all other lines, amounted to \$10,731,542. The losses were \$5,334,079 on all classes. The average loss ratio on insurance other than fire in Alabama last year was 79.34 percent. The year before it was 39.77 per cent; in 1924, 49.78 percent. The fire premium leaders are:

	Premiums	Losses
Aetna	\$318,701	\$170,613
American, N. J.	141,204	96,104
Automobile	264,268	165,240
Birmingham, Ala.	102,855	1,634
Continental	215,871	110,900
Fidelity-Phoenix	137,638	72,886
Fire Association	115,223	31,748
Fireman's Fund	132,405	83,093
Globe & Rutgers	404,663	204,796
Great American	156,940	74,418
Hartford	469,689	222,820
Home, N. Y.	555,469	219,281
Ins. Co. of N. A.	258,761	111,093
National, Ct.	185,986	75,656
National Union	175,217	97,338
New York Under.	140,509	73,111
Pennsylvania	137,460	61,730
Providence-Wash.	108,464	67,515
Southern Home, S. C.	113,397	73,901
Stonewall, Ala.	107,469	28,657
Commercial Union	135,218	54,505
L. & I. G.	211,264	53,450
London & Lan.	148,694	52,447
Phoenix, Eng.	101,581	18,570
Royal	138,431	75,247
Urbaine	141,868	6,331

The state leaders in lines other than fire reporting premiums of \$50,000 or more are as follows:

	Premiums	Losses
Automobile	\$ 62,658	\$ 66,129
Fireman's Fund	63,642	37,766
General Exchange	115,247	46,352

	Premiums	Losses
Hartford	72,220	59,479
Home, N. Y.	160,176	136,228
Ins. Co. of N. A.	121,049	120,187

Postpone Louisiana Hearing

NEW ORLEANS, May 25.—The Louisiana Insurance Commission has postponed the open hearing on application for increases in fire and windstorm rates scheduled to be held this month in New Orleans, to June 27, due to the interruption in business activities caused by the Mississippi flood. The postponement was made at the request of a number of business organizations which wanted to have representatives present.

Inspection of Paris, Ky.

LOUISVILLE, May 24.—Members of the Kentucky Fire Prevention Association returning from an inspection at Paris, Ky., were rather peeved over the cold reception given them by the Rotary Club of Paris. The insurance men were given a separate dining room from the Rotarians. Julius Bowman of the American Central was given five minutes in which to talk before the Rotarians, but no other insurance man was in the room, not even President R. T. Sweeney of the association.

The field men inspected churches, schools and business houses and talked before the schools.

Alabama's Reciprocal Returns

The premiums of reciprocals in Alabama on fire business amounted to \$362,011, with losses \$208,788. The Manufacturing Lumbermen's Underwriters of Kansas City led with \$113,261. The reciprocals secured in premiums other than fire in Alabama last year \$181,734 with losses \$42,284. The Consolidated Underwriters of Kansas City led with \$72,842 premiums. Next was the Belt Automobile of El Paso, Illinois, with \$56,098 premiums.

Plan Kentucky Agents' Meeting

In connection with the plans for the annual convention of the Kentucky Association of Insurance Agents, to be held at Lexington June 27-28, a committee composed of Samuel B. Walton, Bruce

Davis, C. H. Bowyer and A. J. Reed was appointed by President B. F. Buckley, Jr., to arrange for accommodations and entertainment of visitors.

Tobacco Hail Insurance

LOUISVILLE, May 24.—Tobacco hail insurance becomes effective in Kentucky July 1. The hail underwriters have their arrangements all made and there will be no need of any further meetings prior to hail insurance going on.

Cut Down Kentucky Field Meeting

LOUISVILLE, May 24.—On advices from Chicago that the Western Union objected to field men taking more than two days for semi-annual meetings, the officials of the Kentucky Fire Underwriters Association have announced that instead of meeting June 15-17, the association will meet June 16-17.

The Kentucky Blue Goose and Kentucky Fire Prevention Association will hold their annual meetings on the same dates.

Kentucky Notes

Lee Upton, Kentucky state agent for the Home of New York, is getting ready for a wedding in his family. His daughter, Miss Mildred Lee Upton, will be married June 18 to Brucker Gill of Louisville.

At Middlesboro, Ky., where the Tri-State Insurance & Realty Co. and Manning Insurance Agency have been owned by the same interests for a year or more,

the two agencies have moved together, now being in one office.

The Atlas Assurance, which had been in the H. H. Lang & Co. agency at Louisville, has transferred to Milliken, Plamp & Co. This agency was started about the first of this year.

Tennessee Notes

Plans for Columbia, Tenn., to enlist in the national fire waste contest, sponsored by the National Chamber of Commerce, were made at a meeting of the directors of the Columbia Chamber of Commerce recently, following an address by W. P. Steele of the national organization.

A plea for improvement in the local fire fighting system at Brownsville, Tenn., to the end that a reduced insurance rate might be obtained, was made by Capt. E. T. Holman of the Tennessee Inspection Bureau, Nashville, in a talk at a meeting of business men and private citizens at the court house there recently.

Virginia Notes

W. J. Kendrick, local agent of Front Royal, Va., who suffered a stroke of paralysis recently, is reported to be improving with prospects of being back on the job soon.

James Warren, of the W. L. Dechert & Co. agency at Harrisonburg, Va., is the proud father of twin boys who have been named Wade Cothran Warren and Frank Sublett Warren.

Wilson Nicholas Dabney Carr of Richmond died last week in the home of his brother, Cary P. Carr, Virginia special agent for the Crum & Forster group with Richmond headquarters.

ON THE PACIFIC COAST

BOARD COMMITTEES NAMED

Clifford Conly, Chairman Executive Committee, Announces Organization for Year

SAN FRANCISCO, May 25.—New committees of the Pacific Board were announced Friday. Clifford Conly, who served as chairman of the executive committee last year and was re-elected again this year, setting a precedent by the action, has again been placed at the head of the earthquake committee. While the executive committee, as the governing body of the board, is one replete with woes, the earthquake committee is very similar in this regard. The personnel of the various committees as announced by the executive committee is as follows:

Schedule—J. F. Magee, H. M. Newhall & Co., chairman; Edwin Parrish, Niagara, vice-chairman; F. E. Stone, George Acton, J. C. Dornan, F. M. Avery, C. V. McCarthy, C. A. Colvin, A. J. Chapman.

Rules and rates—E. C. Fox, chairman; F. M. Branch, vice-chairman; R. H. Griffith, George Townsend, T. J. Craig, J. C. Wickler, W. H. Gibbons, H. W. Fores, Geo. E. Devine.

Sprinklered risks—Ray Decker, chairman; J. A. Hougard, Munro English, A. T. Bailey, C. E. Allan; H. H. Burke, J. P. Breeden, F. J. Root, F. L. Hunter.

Los Angeles committee—F. H. Rhoads, chairman; Geo. O. Hoadley, W. M. Speyer, Wm. Deans, Joy Lichtenstein, Clifford Conly, ex-officio.

States committee—T. H. Anderson, chairman; W. O. Wayman, F. G. White, B. O. Selbach, F. M. Branch and Geo. V. Lawry.

Earthquake rating committee—Clifford Conly, chairman; J. P. Breeden, A. M. Brown, Jr., John A. Carlson, R. C. Medcraft, Geo. E. Devine and Geo. Townsend.

Conference committee—R. H. Rhoads, chairman; W. M. Speyer, Clifford Conly, ex-officio; H. F. Badger.

Use and occupancy—E. C. Fox, chairman; H. F. Mills, C. L. Barsotti, W. G. Rich, W. H. Gibbons, Henry Dunn, Carl N. Corwin, J. C. Griffith, T. H. Palache.

Mortgage clause—T. H. Anderson, chairman; Ray Decker and E. C. Fox.

Committee to study the question of brokerage—Ray Decker, chairman; B. Goodwin, H. L. Simpson, E. C. F. Knowles, A. L. Merritt, H. P. Blanchard, McClure Kelly, W. O. Wayman and L. B. Daniels.

The Knickerbocker has been admitted to California, writing fire, sprinkler and miscellaneous. Carl Henry will act as general agent.

WAY OUT OF TANGLE SOUGHT

Settlement of Problem of Writing Oil Risks Is Task Before Underwriters

SAN FRANCISCO, May 24.—Underwriters on the west coast are still casting about for a proper settlement of the oil writing difficulty here and are in correspondence with their head offices on the subject. While an element among the coast men sympathizes with the attitude of the Oil Insurance Association that it cannot permit a territorial membership, others contend that the oil business, while important, is not yet of sufficient concern to permit serious dissension to exist in the ranks of the Board of Fire Underwriters of the Pacific. These favor making concessions in the minor matter to preserve harmony in the greater interest.

It is figured that oil insurance premiums on the west coast total \$1,500,000, and it may be true, as the Oil Insurance Association alleges, that this sum is insufficient to warrant the expense of maintaining a separate organization for handling the business in this field.

The Oil Insurance Association has receded from its former hard and fast position in that it is now willing to concede the acceptance of a partial line, letting the balance be placed with non-affiliated companies if the assured or the controlling agent or broker so desires. Its position heretofore has been that it must get the entire liability or none.

Managers in the east are understood to favor any plan acceptable to the majority of their representatives in this territory, insisting only that nothing be done that will impair the integrity of the Pacific Board.

Settle Oregon U. & O. Case

PORTLAND, ORE., May 24.—Settlement of the suit of the Stout Lumber Company vs. Bankers & Shippers, to compel the payment of \$200,000 use and occupancy insurance, has been effected out of court. The suit was pending in federal court here. Settlement was made on a 66 2/3 percent basis, the insurance company agreeing to pay \$133,333. When the North Bend, Ore., plant of the Lumber company burned in January, 1926, the fire loss was paid, but a difference of opinion developed on the use and occupancy claim. The lumber company carried U. & O. Insurance of \$750,000 on its four plants, with a specific amount of \$200,000 on the burned property. As-



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SPECIALISTS GATHER THE INFORMATION THAT APPEARS IN THE NATIONAL UNDERWRITER.

sured maintained that it would require a year to place the plant in operation, while the insurance company said it could be done in six months and offered to pay \$100,000.

Non-Board Bureau Elects

LOS ANGELES, May 24.—At the annual meeting of the Los Angeles Fire Underwriters' Bureau, the rating organization of the non-board companies, Charles G. Rhoads was reelected chairman. Other officers reelected were Ralph G. Johns, vice-chairman; Ben T. Campbell, secretary; Wilbur E. Labry, treasurer; J. D. Kennedy, A. B. Brewster and A. J. Vaughan, remaining members of the executive board. For the third consecutive year the entire board was reelected.

License Adjusters in Idaho

BOISE, IDAHO, May 24.—Under an act passed by the Idaho legislature this year, adjusters are now required to procure licenses. The license fee is \$25 annually for persons adjusting losses for companies licensed in Idaho, while a separate license, the fee for which is \$25, is required for each loss adjusted in the state for an unauthorized company.

Special agents or licensed resident agents are allowed to adjust losses for the authorized companies they represent without procuring an adjuster's license.

Pacific Northwest Field Changes

John D. Owen has resigned as special agent in western Washington for Balfour Guthrie & Co., to become special agent for the companies represented by Benjamin Goodwin of San Francisco in Washington and northern Idaho, with headquarters in Seattle.

Arthur Reynolds has been appointed special agent for the New Hampshire, Boston, Old Colony and Providence-Washington at Seattle, covering Washington and northern Idaho.

Banks on Coast Trip

LITTLE ROCK, ARK., May 24.—Lawrence Banks, vice-president of the Home Fire and Home Accident, left last week for an inspection and business trip to offices of his company on the Pacific coast and other points in the west. Mrs. Banks, with Mrs. Robert Williams, will accompany Mr. Banks to Portland, Ore. The party will return by way of Phoenix, Ariz.

Mr. Banks will make a survey of the accident business of his company in that territory. Officers of the Home companies in all three cities are headed by former Arkansas men, who have built up the business to a point where California now produces the largest amount of premiums for this company than any other state, Mr. Banks said.

The premiums for automobile insurance secured in California by the Home Fire in 1926 totaled \$738,000, or about three times the total amount of premiums from this source of business secured by the company in Arkansas.

Logging Pool Successful

The Logging Insurance Underwriters' Association which was organized early in the spring of 1926, has so far in 1927 experienced a successful year, scoring a perfect record without a single loss in either Washington or Oregon, which are the two states covered by the pool, as the association is commonly known. Up to this date last year the association had suffered losses of \$70,000. Another fact which lends encouragement to the companies in the pool is the volume of business written so far this year which exceeds by over \$10,000 the amount written in 1926 up to June 15. Much thought and effort has been put into the operation of the pool and the employment of competent engineers and inspectors coupled with the assistance and co-operation rendered by the state in which it operates is pointed to as responsible in large measure for the success so far attained by the organization.

Report on Bakersfield, Cal.

A new survey of Bakersfield, Cal., has been made by Robert E. Andrews, assistant chief engineer of the National Board, and Engineers R. C. Stange and Herbert Raines. The general summary of the report points out that the water pressures are low and not well distributed under heavy draft, and that in the principal mercantile district the construction makes serious block fires probable with the inadequate water supply unfavorably affecting this probability. Credit is given, however, for the wide streets

and general low construction of the buildings. The fire department is conceded to be mainly well equipped and trained, but undermanned, with a fire alarm system that is inadequate, unreliable and poorly maintained.

Coast Notes

The East & West of New Haven, Conn., has been licensed in Utah.

McClure Kelly, Pacific Coast manager of the North America, returned to San Francisco last week from a three weeks' trip to the East.

George W. McComber, local agent at Santa Barbara, Cal., of the Aetna, California and Queen, died suddenly at his home in that city last week.

Tacoma, Wash., will soon vote on a bond issue amounting to \$500,000 to provide funds for improvement of the fire fighting facilities of the city.

W. Leslie Miller, president of the Insurance Brokers Exchange of San Francisco last year, has sold his interest in the brokerage firm of Hall & Rambo to Kenneth C. Hamilton, who has been associated with the concern for a number of years. Blake Dalling, who has been with the Pacific department of the Hartford Fire for the last four years, has joined the firm.

Merger of the Hall Insurance Agency and James Manner & Co., Portland, Ore., is announced. The consolidated firm will continue under the name of the former agency, of which Chalmers Hall is now president and Arthur E. Manner vice-president.

Arnold Hodgkinson, manager of the National Automobile Club and the Pacific Coast Automobile Underwriters' Conference, was one of the principal speakers before the California Traffic Conference last week, discussing "Highway Safety."

IN THE MOUNTAIN FIELD

COCHRANE HEARING IS RESET

Colorado Civil Service Commission to
Take Up Charges May 31—Fertig
Files Amended Complaint

DENVER, COLO., May 25.—The state civil service commission will hear on May 31, charges brought against Jackson Cochrane, state insurance commissioner, by Charles T. Fertig, chief fire rater in the Colorado department, as president of the State Civil Service Employees' Association. The hearing was originally set for May 24, but was postponed for a week.

Mr. Fertig filed more specific charges this week. In these he alleges that Commissioner Cochrane has disorganized the work of his office, has shown various favoritisms contrary to civil service ratings, and has attempted to force the resignation of a number of employees who are under civil service.

Denver Losses Reduced

DENVER, COLO., May 24.—Fire losses of this city are running materially below the record of 1926, when Denver stood among the highest with a total estimated damage of \$461,322.

Figures for the first four months announced by Fire Chief Healy are \$91,832 against \$147,904 in 1926. Denver's fire equipment, said to be among the best in the country, will be added to by two new combination chemical-pumper trucks of American la France make.

This city has not suffered a major fire in 1927 although the record for number of fires in one month was broken in February.

Joins Van Gilder Agency

DENVER, COLO., May 24.—Arthur B. Heiser, founder of the Heiser Manufacturing & Selling Co., has joined the forces of the Van Gilder Agency of this city. He was vice-president of the manufacturing company for 20 years. Three years ago Mr. Heiser sold out his interests.

He will become a partner in the insurance agency.

Miscellaneous Notes

Assistant Secretary R. R. Stone of the Automobile is on a western and southern trip.

Vice-President Alfred Stinson of the Automobile of Hartford is on a two weeks' trip through western agencies.

NEWS FROM EASTERN FIELD

BALTIMORE PREMIUMS LOWER

Report for Second Half of 1926 Shows
Decrease as Compared with
Preceding Year

BALTIMORE, May 25.—According to the figures as reported to the fire insurance salvage corps of Baltimore, premiums received by fire companies from July 1 to Dec. 31, 1926, in the city limits amounted to \$2,177,552 as compared with \$2,321,722 for the last six months of 1925. A supplementary list of 29 nonagency stock and mutual companies showed premiums of \$35,599 for the last six months of 1926 as compared with 18 such concerns with \$13,199 for the corresponding period of 1925. Following are the companies which wrote \$20,000 or more in premiums in the last six months of 1926 in Baltimore together with their premiums for the last half of 1925:

	1926	1925
Aetna	\$ 22,680	\$ 26,675
American, N. J.	23,078	16,416
American Eagle	39,293	47,256
Baltimore-American	58,651	62,333
Continental	24,942	36,710
Central, Baltimore	239,393	262,608
Fidelity-Phenix	22,789	28,590
Great American	38,880	35,289
Globe & Rutgers	31,395	25,453
Home, N. Y.	89,943	101,470
Hartford	39,527	51,280
Hanover	21,454	19,573
Ins. Co. of N. A.	37,202	34,756
Liv. & Lon. & Gl.	27,848	29,191
National, Conn.	68,704	72,633
North River	21,817	18,949
Northwestern Nat.	20,659	20,426
Queen	24,963	28,364
Royal	38,548	48,471
Travelers Fire	20,497	4,801
United States	26,231	26,286

Plan Survey of Lowell

LOWELL, MASS., May 24.—Because a number of fire insurance companies have threatened to withdraw from Lowell, on account of the enormous fire losses here, the Lowell Chamber of Commerce has appointed a special committee of 19 members on fire protection and fire prevention. The committee is headed by Fred C. Church, Jr., well known insurance agent, and will conduct an investigation into the city's fire fighting resources, etc. Lowell's fire loss last year was \$1,733,539.

Organize New England Campaign

BOSTON, May 24.—A meeting of prominent business men of the city was held here to organize the New England end of a campaign to raise \$500,000 to combat the fire waste of the United States, along the line of employing field engineers proposed and in use by the National Fire Protection Association.

Alfred H. Avery has assumed the chairmanship of the local campaign for its preliminary work. Franklin H. Wentworth, secretary of the National Fire Protection Association, Fire Commissioner Hultman and Fire Chief Walsh were among the speakers. Another meeting will be held the coming week with Governor Fuller as one of the speakers.

Commissioner Hultman declared the fire loss for Boston was commonly reported as \$5,407,070, which represented a per capita tax of \$6.97 for every man, woman and child in Boston. This did not take into consideration the \$10,000,000 paid for fire insurance premiums and the \$5,000,000 cost of running the fire department, to say nothing of water and other costs. In fact every Boston family is paying over \$100 annually as a result of the fire loss.

Strengthen Forest Fire Laws

BALTIMORE, May 25.—Brush-burning fires which resulted in the destruction of over 20,000 acres of woodland in Maryland in 1926 should be greatly reduced by the provisions of the new forest fire laws, the state forester announced today. These laws were passed by the last legislature and become effective on June 1. The most important change in the law consists in making a misdemeanor of all fires caused through carelessness and negligence. This law, it was explained, covers brush-burning fires, fires caused by smokers, hunters and fishermen, camp fires and any other fires which are caused by individuals

through carelessness or neglect. The penalties provided range from a fine of \$10 to imprisonment for one year.

The laws concerning willful or incendiary fires have been changed to increase the maximum penalty from \$1,000 fine and one year's imprisonment to \$2,000 fine and five years' imprisonment. Incendiary fires during 1926 caused damage to over 11,000 acres, it was said.

To Review Proposed Code

WASHINGTON, D. C., May 25.—Superintendent Baldwin will hold a conference with company officials in his office June 3 to further review the proposed new insurance code for the district, on which he has been working for a considerable time. A revised code was submitted to the last Congress but never got beyond the committee to which it was referred, company officials opposing certain of its features. These objections will be gone over at the conference early next month, when an effort will be made to harmonize the sections complained of, and if this be successful the revised work will be resubmitted at the next session of Congress.

New Maryland Questionnaire

BALTIMORE, May 24.—The new form prepared by Commissioner Benson to take the place of the questionnaire made ineffective when the Maryland agency qualification law was repealed by the general assembly at its 1927 session, will be ready for distribution June 1.

The agency qualification law was re-

pealed because, it is said at the insurance department, it accomplished little or nothing. This criticism is particularly true of the questionnaire as it applied to fire and casualty agents.

"It only made more and unnecessary work for the department," an official said, "and was really of very little value. Mr. Benson notified the companies some time ago that a new form would be ready and this form will have to be satisfactorily filled in before any new agents are licensed. It will not apply to those already licensed by the department."

Change in New York City Agency

C. W. Sparks & Co. is to be adopted as the name of the New York City agency formerly known as MacBain & Sparks, it was announced here last week. The change in title results from the resignation of Walter MacBain from the agency. Charles W. Sparks will be president of the agency.

Exhibit New Pittsburgh Equipment

PITTSBURGH, May 25.—The new fire department equipment purchased recently by the city was exhibited in a parade of the principal streets of the downtown district last Friday afternoon. The idea was conceived so as to give Pittsburghers an opportunity to see en masse the new equipment which, according to fire bureau officials, has placed the Pittsburgh fire department among the foremost in the country.

Arthur M. Brown, of Edward Brown & Sons, San Francisco, general agents on the Pacific Coast for the Svea, accompanied by Mrs. Brown, is in New York City for a few days, visiting the chief office of his company, en route home from a trip to Cuba.

IN THE CANADIAN FIELD

ORIGINAL INSURER LIABLE

Policy Not Voided Because of Subsequent Insurance, Held Void, Nova Scotia Court Rules

In a case before the supreme court of Nova Scotia it was decided that an insurer cannot avoid liability under a statutory condition avoiding the policy if subsequent insurance is placed with the insurer's consent where subsequent insurance has been placed without consent, but is void and never attached because of a statutory condition relating to undisclosed prior insurance.

The plaintiff, owner of a garage, insured it with the defendant company for \$8,000. After the issue of the policy the plaintiff procured another policy from another company for \$3,000 on the building and \$1,000 on the contents. The latter policy contained a statutory condition. The plaintiff sued the latter company, but it was held he could not recover, that the policy never attached, and that the plaintiff was entitled to a return of the premium paid on account of the statutory condition mentioned being in the original policy.

The plaintiff then sued the insurer under the original policy, and judgment was given in his favor on the ground that the latter policy never was effective or binding, but was invalid and useless, and therefore could not be a breach of the condition.

This decision was on the validity of the first policy and not on the contribution clause, which in American policies provides for contribution with other insurance, "whether valid or not."

Canadian Losses Compared

According to the "Monetary Times," fire losses in Canada for the week ending May 11 are estimated at \$142,500, as compared with \$344,000 for the corresponding week of 1926.

Fire Marshals' New Officers

At the annual conference of fire marshals, held at Ottawa, P. J. Jobin of Quebec was elected president; Henry Brace, Edmonton, vice-president, and J. Grove Smith, Ottawa, secretary. J. F. H. Wyse, general manager of the Canadian

National Safety League, addressed the conference on the work of the league, and said that the death rate in Toronto from automobiles had been reduced from six per 1,000 to .6 of 1 percent per 1,000 cars in 14 years.

Heavy Loss at Calgary

At Calgary, Alta., fire caused heavy loss to the Donald H. Bain Company. Some \$40,000 worth of sugar stored on the ground floor was utterly destroyed by water. The fire is supposed to have originated on the second floor, which was occupied by paper dealers. The burning paper caused dense smoke. The building was valued at \$125,000, with stock carried valued at the same figure.

Sentinel Fire Enters West

The Sentinel Fire is entering the western Canada field, with F. L. Heberling, Winnipeg, supervising the territory. The company is already operating in eastern Canada.

Winnipeg Agents' Annual Meeting

WINNIPEG, May 24.—The annual meeting of the Winnipeg Fire Insurance Agents Association will take place on June 3. After the business proceedings have been disposed of, golf enthusiasts will assemble at the Winnipeg Golf Club and will indulge in mixed four-somes. Alexander Burgess will preside at the meeting and it is expected that A. H. S. Stead, secretary, will be on hand, after his trip to the States, where he has been spending his honeymoon.

Golf Competition Entries Closed

WINNIPEG, May 24.—Entries for the golf competition fostered by the Western Canada Insurance Club have been closed and 64 players will take part in the competition, the winner of which will play the winner of the "Black Trophy" golf competition for the championship of the province in fire insurance circles.

Canadian Notes

Sheps Agencies, Winnipeg, have been appointed to represent the Fidelity-Phenix.

H. H. Eyre & Co., Edmonton, Alta., have been appointed to represent the Franklin Fire.

Anderson & Busby, Moose Jaw, Sask., have been appointed to represent the Globe & Rutgers.

The British & Canadian Trust Co., Lethbridge, Alta., has been appointed to

represent the New Jersey and the Canadian-American.

Alfred E. Whiffin, Medicine Hat, Alta., has been appointed to represent the United States Fire.

C. M. Nixon & Co., Moose Jaw, Sask., have been appointed to represent the American of Newark.

Alan J. Hart has been appointed Canadian manager for the Laurentian at Montreal, succeeding C. W. Scott.

The plant of the Maisonneuve Quarry Company of Montreal was completely destroyed by fire May 20. The fire is believed to have been due to defective wiring. The total damage is estimated at about \$300,000, and no insurance was carried. For 19 years the plant had been insured until this spring, when the insurance had been cancelled.

IN THE MOTOR FIELD

LOSSES MAY BE RECOVERABLE

Collision Features of Policies May Protect Automobiles that Are Damaged by Windstorms

The destruction of automobiles by the windstorms that hit the middle west in recent weeks has raised the question of whether the owners can recover for losses suffered under the collision features of their policies. It was the opinion of a number of casualty men that the insured can recover, since collision is interpreted as the contact of the machine with some other object. Many owners whose cars were destroyed by the Florida hurricane of last year had no difficulty in recovering for their losses.

In the recent storms many cars were damaged or totally wrecked at St. Louis, Poplar Bluff, Mo., and Decatur, Ill. In a number of cases the cars were blown along streets and sidewalks until they came in contact with a building, another car, or some other object and were damaged or destroyed.

At Poplar Bluff a number of cars were blown into the Black river. Whether those owners who lost cars in this manner and who did not have tornado insurance on their cars can recover on the collision feature is a question. It seems likely that court action may result from the efforts of some car owners to recover.

MORE COMPETITION CREATED

Automobile Dealers Cause Grief for Agents by Offering to Handle Insurance for Customers

More grief has been added to the life of the agent through the following announcement, made by Community Motors, Chicago, in the last issue of the firm's house organ:

"Don't let your car insurance lapse. To meet the request of our owners we have opened an insurance department, where we can promptly insure your cars against such claims as fire, theft, liability, property damage and collision (singly or all).

"Oakland-Pontiac owners have found in the event of losses, and the consequent difficulty of adjustment, the helpful services of skilled adjusters furnished by Community Motors' insurance department renders an invaluable help.

"Let us renew your insurance. Our rates are right—in standard companies—and our services will be of real assistance in the event of a loss."

The firm of Law Brothers, Chicago, has signified its disapproval of Community Motors' method in the following letter, sent to the company:

"We notice your announcement in 'Community Motors News' that Community Motors have opened an insurance department for the accommodation of Oakland and Pontiac owners. May we not suggest a nice line of groceries and other every-day needs of automobile owners? We might in retaliation say that as insurance salesmen we could carry a line of spark plugs and auto-

mobile accessories in following your idea of complete service.

"There are three perfectly good 1927 Oakland landau sedans in our organization purchased from Community Motors and they are not going to be turned in on new Oaklands, as we have done for some years past."

It should not be difficult for the motor dealers in the case to figure out how many insurance premiums it will have to issue to offset the cost of three new cars.

Put Out Simplified Policy

A number of the companies are sending out to their agents a simplified combination, fire, theft, tornado, liability and property damage automobile policy. The new form is arranged so that it may be filled out much more quickly in the agent's offices and will save overhead expenses.

AMERICAN CENTRAL QUITS MOTOR LINE

The American Central of St. Louis has discontinued writing automobile business. Its combined loss ratio last year was 61 percent. The premiums and losses by classes were as follows:

	Premiums	Losses
Fire	\$173,331	\$103,329
Theft	157,223	86,515
Other Coverages	18,984	12,864
Property Damage	12,852	5,785
Collision	90,355	67,929
Total	\$452,745	\$276,422

Companies to Pay Texas Cost

AUSTIN, TEX., May 24—It is going to be up to the insurance companies writing automobile business in Texas to meet the expenses of the law which becomes effective June 15, vesting the power of rate regulation with the state Fire Insurance Commission. Governor Moody has advised all concerned that he will not submit to the present special session any matter of taxation.

Members of the State Fire Insurance Commission have prepared a bill imposing a tax of 1 percent on gross Texas premiums paid on all classes of automobile insurance. The fire insurance division and the workmen's compensation insurance bureaus of the Insurance Commission are both supported by direct taxes based on gross premiums collected in Texas. The commission had the same plan for the automobile division to raise some \$35,000.

ACTIVITIES OF THE PAST YEAR REVIEWED (CONTINUED FROM PAGE 11)

election as president of the National association at the Atlantic City meeting last September and we all take pride in the well-earned honor conferred on him. An added gratification is the fact that enough of his fellow members from New York State were at the meeting to enable them to bring home the attendance cup which occupies a place of honor at this convention.

In spite of his numberless duties and responsibilities during the past year, first as chairman of the executive committee of the National association and later as its president, Frank Gardner has found time to act as chairman of our law and legislative committee; has served on our executive committee; was chairman of our committee conferring with the Eastern Underwriters Association on the commission question, and in countless other ways we have had the benefit of his counsel and judgment. How he does it I do not know, but I do know that this association owes him an ever-increasing debt of gratitude.

Value of National Association to Local Agents Is Stressed

W. E. HARRINGTON of Atlanta, Ga., chairman of the executive committee of the National association, represented that body at the New York meeting. Mr. Harrington declared that the National association had never advocated a policy which had not been accepted eventually as sound by the in-

surance fraternity as a whole. He said that a great responsibility rests upon the officers of the organization, which is growing in strength and power because as this power increases the officers must show an equal measure of tolerance. He said that there never has been any desire on the part of the organized agents to sponsor any proposal which does not serve equally as constructive a purpose for the public and the companies as for themselves.

Return to Sane Practices in Underwriting Noted

Recent years have witnessed a period of greed for premium income which threatens to sweep away all sound underwriting practices, Mr. Harrington declared. Volume apparently became the sole watchword and the consequence was inevitable. Underwriters were formed and underwriters of underwriters, etc. This led to the representation of the "paper companies" and brought into the business a vast horde of agents in the main thoroughly unqualified to perform properly the service to which the public is entitled. Mr. Harrington stated that throughout this time the National association protested against these tactics. He said that the history of the past 12 months shows a complete reversal of this policy and an attempt to restore the business to those who are qualified to handle it and to place it on a basis of sane underwriting and sound management. Companies are reviewing the past records of their agents not only with reference to loss ratios but to the general conduct of their agencies and are proceeding to weed out those found to be undesirable from either viewpoint.

More Local Boards Are Needed by Business

The great need of the business today, said Mr. Harrington, is the formation of local boards in every community containing two or more agents. Where a strong local board exists, the insurance business is in good public repute. In those communities without local boards and the organized effort to promote good practices, in a large measure the reverse is true. For this reason the National association has adopted the practice of increasing its membership through the formation of local boards rather than through individual solicitation.

Turn to Conference and Cooperation for Solution of Problems

By FRANK L. GARDNER
President National Association

CONFERENCE and cooperation is one of the fundamental ideals of the agents' association and I assume comes naturally to agents. He is the middleman, or the man who takes the coverage which the company has to sell, and sells it to the assured, and then in case of disaster, follows through to see that the promises of performance by the company become facts and that John Citizen is helped out in his time of trouble in accordance with the contract which he bought and paid for. It is only natural that the agent who, in order to consummate the transaction from the beginning, has had to bring the views of these two groups together and see that they reached a common understanding known as an insurance policy, should when any problems arise, at once consider that it is up to him to get in contact and talk the problem over with the man, or group of men, whom he thought responsible. It is therefore true that agents as an organization have at all times been ready for conference and ready to cooperate, and individually we have always found the vast majority of company officials and bureau officials more than ready to meet us half way.

Our best illustration of a successful conference was that held with the conference committee of the National Board a couple of years ago, the result

of which was approved by over 200 fire companies and by each state association of agents. The most striking illustration of lack of conference was the Central Bureau fiasco. The companies had a legitimate complaint that coverage was being given for which they received no premium, but instead of talking this matter over with the producing force, rulings, edicts, and the strong arm of the law were resorted to. The result was that every producer was "sore," no company was willing to accept the responsibility for parenthood of the order, the court said it was a bad law and the final result has been that the just complaint has not been remedied, but bitterness and misunderstanding have been increased where those in the insurance business would have come nearer to solving the problem correctly and in the end would have had a kinder feeling toward one another if conference and cooperation had been used instead of the threat of force through law.

Before conferences can be 100 percent successful, apparently we must all change our attitudes of mind toward them. Individual agents and company officials get along fine. Agents have always had great loyalty to company officials whom they know and come in direct contact with, and the company officials who are responsible for the appointment of agencies certainly have to be loyal in order to justify their selection and as a matter of fact, always have been, for there has, the majority of times, been a bond of friendship rather than simply a cold business proposition. But when it came to groups and a conference was called, it immediately developed red-tape and high hattedness.

Give Fair Dealing to All Concerned

Our only success in the future lies in the closeness of our contact with the companies and with the assured, and the greatest burden that is placed upon us is that both these groups must appreciate our good faith and our willingness to work with them fairly. The companies are entitled to fair premiums and prompt payment of balances and the intelligent selection of business. The public is entitled to a fair coverage, proper rates and more than that, to the active service of every insurance man toward the cutting down of losses by fire or accident. We want to bear in mind for the future that all we may say or all we may do will not justify our position in the community unless we use the knowledge we have gained in our business to cut down the preventable losses.

PAST ACCOMPLISHMENTS AND FUTURE OBLIGATIONS (CONTINUED FROM PAGE V)

and do him first," there has come the more refining and uplifting principle that every man owes a duty to his neighbor and in the majority of the communities of the state of New York today we find insurance agents' clubs where insurance men regularly meet and constructively act for the benefit of the business and for the benefit of the community in which they live. Possibly no greater monument today stands on our horizon than this fine spirit of friendly cooperation. It is typical of the new day.

Important, too, is the removal of that spirit of mistrust and dissatisfaction which for so many years was rampant in this state because of the so-called "non-board" competition. To the average agent a tremendous difficulty was presented when he found himself forced to compete against companies who were cut-raters in his community and tariff writing companies in other communities. This was a long and difficult process, both of education, of legislation and of cooperation, but the result brought about very much through this organization, reflects again tremendously to the benefit of the individual agent and is satisfactory not only to those agents who were tariff writing but also to those who under force of circumstances were not

Shows Field for Explosion Coverage

THE Automobile of Hartford in discussing explosion rates predicts that the present low cost cannot continue because explosion losses undoubtedly will increase. For almost all classes the rate is 5 cents per \$100. Owing to the fact that so many residences have installed oil burners and steam heating plants there are unnumberable prospects for this insurance. The 5 cent rate is based on the 50 percent coinsurance clause. If 80 percent is carried the rate is 3½ cents and if full insurance 3 cents. The Automobile states that automobile sales rooms are good prospects. If the service station is included the rate is 15 cents. Banks and bakeries are also enumerated among the desirable risks. The Automobile suggests that banks in addition should be canvassed for riot and civil commotion coverage.

Churches, club houses, coal yards, department stores, colleges, etc., should all carry this line. Public garages take a rate of 15 cents. Hardware stores, hospitals and hotels, mercantile buildings, theaters, warehouses, etc., come in the five cent rate. Newspaper plants are written for 10 cents and wholesale paint shops for 15 cents. The Automobile calls attention to the explosion hazard, which is becoming more and more pronounced.

compelled to abide by published tariffs.

An immediate problem before the insurance business is sane selection of insurance agents. To be a licensed agent should be twice as difficult as to be a licensed broker. We have made some progress. We must untidily and unselfishly develop a workable plan, cooperate in its adoption and unite in its execution.

New Conditions to Be Met Today

Today we find that competition is not only keen between individuals in the same business but also between entire industries. We find that manufacturers having a certain product in common are seeking as a group to win the consumers' favor over another group having common interest in another product.

Insurance is essentially business. Insurance follows business. The great problem before the local insurance agent today is, first, how to meet the increasing cost of doing business; second, how to sell more insurance and in a more scientific way; and, third, how to adjust himself to the constantly increasing changes in the economic life about him. These are problems which the individual alone cannot solve. Here lies the great opportunity in the future for the New York association and all other similar associations.

WORK OF FEDERATION IS REVIEWED BY SAUNDERS

Leonard L. Saunders, speaking for the New York Insurance Federation, told of the work of the federation in opposing compulsory automobile insurance and the entrance of government into the insurance business. He said that the activities of the federation for 13 years have been confined principally to opposing government in business. He quoted various men from public life who have testified to the effectiveness of the insurance lobby. He said that the federation should strive to inject more business into politics and in fact to create political leadership from business circles.

"Do you know, hubby dear, that you are growing handsome?"
"Yes, it's a habit I have about the time your birthday or our anniversary approaches."

An expert says: "Roughly speaking, one marriage of every three results unhappily." "Roughly speaking" is too often the reason why.

One phase of "PUBLIC RELATIONS"

(How policyholders are forced to pay millions in taxes for which they receive no benefit)

The Chamber of Commerce of the United States has issued a bulletin calling attention to the injustice of a situation whereby insurance policyholders are forced by the various state governments to pay special indirect taxes (payments added to the premiums) twenty-seven times greater than the cost of maintaining the insurance departments for which they were originally intended.

This is one of the insurance problems which proper Public Relations will help to solve.



"THIS IS ALL YOU GET!"

(Statistics from forty-eight states show that only 3.65% of the special licenses, taxes and fees collected by them from the insurance business is devoted to service to policyholders.)—From May "HUMAN RELATIONS"



The INDEPENDENCE COMPANIES

Home Offices—PHILADELPHIA

CHARLES H. HOLLAND, President

Casualty Insurance • Surety Bonds
Fire Insurance



—* These Companies maintain Human Relations with their Agents, Brokers and Policyholders *—

The National Underwriter

May 26, 1927

CASUALTY AND SURETY SECTION

Page Forty-Five

IS AVERSE TO "HOKUM" IN PUBLIC RELATIONS

Business Cannot Manufacture Goodwill Merely by Prating About Its Virtues

NEED SOUND FOUNDATION

Publicity Alone Is No Panacea, Henry Swift Ives Tells Insurance Advertising Conference

HARTFORD, May 25.—One of the notable addresses given before the Insurance Advertising Conference here this week was that of Henry Swift Ives, vice-president of the Casualty In-



HENRY SWIFT IVES
Vice president Casualty Information Clearing House

formation Clearing House of Chicago. Mr. Ives, in discussing public relations especially from a casualty insurance standpoint, went right to the heart of the problem, exposing some of the fallacies and weaknesses of the ordinarily accepted ideas of public relations activities, and offering some constructive suggestions to the casualty companies. Some striking excerpts from Mr. Ives' address follow:

Golden Rule Best Program

"Establishing good public relations is a mouth filling phrase. It often intrigues those who do not understand it. It is employed as a sales shibboleth by press agents and as a revenue producer it can not be derided. It also is sometimes unctuously debated as a short cut to salvation by distressed executives at business conferences. Advertisements are used, essays are written, meetings are held and speeches are delivered, including this one, in accordance with the plans and specifications outlined by the

CENTRAL BUREAU PLAN IS CONCEDED IMPRACTICABLE

REVISED AGREEMENT SOUGHT

Casualty Company Executives to Try Elimination of Not-Taken Policy Evil Through Cooperation

NEW YORK, May 25.—While appeal has been filed from the recent decision of the appellate division of the New York supreme court affirming without opinion the prior order of Justice Bijur of the supreme court restraining the further operation of the Central Bureau on not-taken policies this was purely a formal action and there is little chance that the case will be prosecuted further. The great majority of casualty company executives concede that the bureau plan in its present form is impracticable as well as contrary to state law.

Consider Revised Agreement

A committee of local casualty managers of which body John S. Turn, resident vice-president of the Aetna Life is chairman, has been at work upon a proposed revised agreement designed to check if not entirely eliminate the not-taken policy evil and to accomplish this in a legal manner and with the cooperation, instead of as was the case with respect to the Central Bureau, the bitter opposition of the brokers. A series of conferences has been held with brokers upon the subject and others will take place during the next few days. While the new program has not yet been fully shaped up, progress toward that end is being made and confidence is expressed that it will be successfully accomplished in the near future.

modern public relations school of thought, the object of all of which is to compel folks to think well of industries and to approve the way they behave. Too often, however, this mechanical procedure so completely subordinates the human elements so necessary in obtaining good will that it may well be classified as an aristocratic form of 'hokum.' The golden rule is, after all, the best public relations program, and any industry which puts it into effect, keeps it in effect, and frankly and simply tells the public what it is doing and thus inspires confidence need not fear in the long run the blighting effect of an unfavorable public opinion in regard to it.

Depend on Propaganda Factory

"Despite only too often prevailing impressions to the contrary, favorable public opinion can not be manufactured as are shoes, underwear and spark plugs. It is unfortunate that there are so many industrial executives who consider the building up and maintenance of good public relations as a thing apart from the routine activities of their particular business. To them such a job should be handled solely by a propaganda factory, bureau, or department. In their opinion all that is necessary to do is to create and endow such an organization, man it with writers, orators and advertising experts, 'sic' it on the public and, presto, the thing is accomplished,

(CONTINUED ON PAGE 54)

SURETY SITUATION IN IOWA IS DEMORALIZED

CHARGE REBATING PREVALENT

On Contract Business Especially, Little Pretense Made of Maintaining Rates, Agents Say

DES MOINES, May 25.—Highway development in Iowa has greatly aggravated the surety bond situation. Contractors by the thousand have entered the field and legal requirements exact a bond before a contract is accepted. Bonding agencies have been playing fast and loose in recent years in an effort to secure business and as a result rates have been sacrificed in order that a large volume of business might be available.

The highway contracting business was but an entering wedge which has opened the way for a general demoralization of the surety business. Cut rates on small contracts have led to a shifting of rates on large contracts and but little effect is made to maintain the established standard of \$15 per thousand for a two-year period.

Rebating Is Alleged

Some shrewd methods are invoked in order that a semblance of rate maintenance might prevail. The most prevalent is that of the rebate on the part of the agent, often with the knowledge of the company represented. Agents, ever alert, approach a contractor and proceed to offer inducements. This usually means an offer on the part of the agent to divide his commission with his prospective client. If this does not appeal to the contractor with sufficient force to land the business a more generous concession is forthcoming and this consists in not only giving an attractive slice of the agent's commission, but a liberal bonus as well. And at times instead of paying the regular rate of \$1.50 per hundred the contract is drawn up so that when the disguise is removed the bond costs the contractor around 95 cents and sometimes less than that.

Occasionally a surety company will take the initiative and under the plea of a wholesale rate will make a concession on large contracts that makes the puny efforts of the agent with his rebating process look like the proverbial 30 cents—which is the usual size of the commission the agent receives. There are cases, many of them right here in Iowa, where a contractor on a fat job has been commissioned as an agent of the company and he not only thus receives the agent's commission but a generous rebate besides.

"Pull" on Public Contracts

The most demoralizing feature of the surety business crops out when a large public improvement is involved. Such enterprises become somewhat political and here is where the following with a "pull" gets in his work. Someone near the throne will suggest to the successful bidder that his influence was instrumental in landing the contract for him and now it will be nothing more than fair to let Bill Toogood furnish the bond which the municipality, county, or state authorities will exact, and Bill, who poses as an innocent bystander, is called

(CONTINUED ON PAGE 54)

BEHA BARS FORGERY BOND DISCOUNT PLAN

New York Department Takes Up Credits for Check Writing Machines, Safety Paper

ORDERED DISCONTINUED

President Rowe of Metropolitan Casualty Issues Statement on Ruling to Prevent Misunderstanding

Superintendent Beha of New York has ordered discontinuance of discounts allowed by the Metropolitan Casualty on forgery bonds for the use of check-writing machines and safety paper. The superintendent holds that these are in violation of the law, as they result in discrimination. The ruling is as follows:

"As a result of the hearing held before me on May 18, 1927, at 165 Broadway, New York city, as required by the provisions of Section 151 of the insurance law, I have found that the Metropolitan Casualty has been guilty of unfair discriminations in violation of law:

"First, in allowing the discounts contained in its manual only to those purchasers of the company's forgery bonds who have also been purchasers of new check-writing machines direct from the manufacturer or his agents and under the conditions specified in its manual;

"Second, in allowing discounts to purchasers of its forgery bonds on condition that such purchasers use the alleged protective devices specified in its manual and at the same time completely waiving such condition.

Discontinuance Ordered

"Accordingly, the Metropolitan Casualty Insurance Company of New York is hereby ordered to discontinue forthwith the practices which result in the unfair discriminations herein referred to."

Following publication in New York papers of the department's ruling, J. Scofield Rowe, president of the Metropolitan Casualty, issued a statement on the department's ruling in which he said:

"The ruling of the department in no way affected or involved the merits of the discounts allowed by the Metropolitan on forgery bonds for the use of protective devices.

Only Two Questions Considered

"The department considered only two questions. The first involved the manual requirement that the check writing machine be purchased directly from the manufacturers or their agents within one year, or where a certificate of good condition is obtained from the manufacturer, that the one year mechanical guarantee has not expired for more than 12 months. The Metropolitan has not enforced this requirement. It has required only that a machine be in good condition, irrespective of its age. How-

(CONTINUED ON PAGE 55)

RECOUNTS EXPERIENCE ON "INSURE IN APRIL" DRIVE

KIRKPATRICK TELLS OF PLAN

Automobile Coverage Campaign in Middle West Is Described to New York Agents at Convention

SYRACUSE, N. Y., May 25.—At the convention of the New York Association of Local Agents here this week, A. L. Kirkpatrick, secretary and treasurer of the Casualty Information Clearing House of Chicago, described the recent drive in Illinois, Indiana and Michigan for automobile insurance. Mr. Kirkpatrick said in part:

During April this year the stock casualty companies and their agents staged a joint drive for automobile business which has been commonly referred to as the "Insure in April" campaign. It was undertaken largely as an experiment.

There is no information available as to the exact percentage of cars in these three states which are covered by liability insurance. As you know, it was estimated some months ago in Massachusetts that, taking the state as a whole, not over 30 percent of the cars carried liability insurance. It seemed to be a reasonable assumption that in the middle western states no greater percentage was insured and the program was carried out on the theory that approximately 70 percent of the cars on the road were driven by men who were prospects for stock company agents.

The plan in brief was to get all stock casualty companies and all of their agents to concentrate simultaneously and vigorously for a period of one month on the solicitation of automobile business. April was chosen as the time for making the experiment and it was limited to Michigan, Illinois and Indiana.

The plan was extremely simple in its details. Nearly every company and every agent, through some means or other, emphasizes automobile insurance in the spring months anyway. The main purpose of the collective drive was to join all of the individual efforts into one giant movement working at the same time on the same public and using the same sales appeals.

Psychological Reaction Expected

The psychological reaction on the part of the public was calculated to work something like this: Take for example the tough-skinned motorist who, up to this point, has resisted the efforts of insurance agents to sell him an automobile liability policy. The plan contemplated that early in April he should receive a circular or a sales letter pointing out the necessity of liability insurance and the danger of driving without it. He would probably throw the circular in the waste basket. But in the same mail or perhaps the following day, he would get another, perhaps from another agent but telling the same story, using the same arguments and perhaps repeating the slogan. He might throw that one in the waste basket also. But he would get a third and a fourth, perhaps half a dozen. Then one or more agents would call on him. Perhaps the first one would not sell him. But during the month there have been a lot of such tough-skinned motorists who have eventually succumbed to the combined efforts of the personal solicitation and advertising material of all of the agents jointly.

An important feature of the campaign was the program of newspaper advertising. This constituted nine separate pieces. It was prepared by a well-known advertising agency under the direction of a special committee of the Insurance Advertising Conference. Neither time, money nor effort was spared in trying to produce the best advertising program which we could get.

In order to get any effect out of a campaign of such short duration, it was

ILLINOIS PREMIUMS OF STOCK COMPANIES GROW

TOTAL FIGURES FOR 1926

Leaders for the State in the Casualty and Surety Group Are Presented

The total premiums of stock casualty and surety companies in Illinois last year were \$51,305,932 with losses \$21,206,975. The Illinois stock companies reported \$3,673,484 premiums with losses \$1,525,876. The Washington-Fidelity-National of Chicago leads with \$909,656 premiums with \$360,557 losses. This company writes only accident and health business. The Federal Life of Chicago comes next with \$564,224 premiums and \$353,508 losses. It writes only accident and health. The following companies of other states report premiums over \$900,000:

	Premiums	Losses
Aetna Casualty	\$ 969,460	\$ 358,245
Aetna Life	1,427,174	726,014
Cont'l Casualty	1,833,675	646,829
Fidelity & Casualty	2,349,781	1,172,719
Globe Indemnity	954,959	411,443
Hartford Accident	1,786,792	641,536
Maryland Casualty	1,567,860	704,033
Metropolitan Cas.	1,073,948	604,127
National Surety	1,148,902	407,996
Travelers	2,738,903	1,275,946
United States F&D	3,238,036	1,964,904
General Accident	2,992,538	1,356,329
Lon. Guar. & Acci.	1,704,605	978,887
Ocean Accident	1,131,207	503,504
Zurich	2,037,780	1,060,311

The Illinois department report in showing the general mutuals' business in the state last year gives premiums for Illinois companies \$6,048,622 with claims \$2,605,161 and mutuals of other states, premiums \$1,766,546 and claims \$881,533. The premium leaders or those with over \$200,000, are as follows:

	Premiums	Losses
Autoist Mutual	\$ 241,090	\$ 109,050
Builders & Mfrs.	975,957	315,912
Illinois Mfrs. Mutual	1,125,345	900,943
Lumb. Mutual Cas.	819,441	324,214
Mutual Casualty	746,950	495,924
State Farm M. Auto.	320,896	115,648
U. S. Mutual	460,304	180,562
American Mutual	643,584	405,140
Liberty Mutual	678,958	398,746

necessary to use large sized space. Mats were made up in sets and furnished without charge to the agents in any city, town or village where they agreed to run the campaign. The space was contracted for and paid for entirely by the participating agents.

In laying the entire campaign and the advertising program before the agents of the three states, each company was asked to notify its own agents both through the medium of circulars and through its house organ. The Casualty Information Clearing House used its mailing list to lay the campaign before the agents and urge their participation. The most effective means, however, was through a series of 32 regional meetings, 14 of which we held in Illinois, ten in Indiana and eight in Michigan. Approximately 1,000 agents attended, representing 176 different cities and towns.

It will never be known just exactly what was accomplished in this campaign. The large increase in premium income in many offices stands as excellent testimony to the fact that it did produce an increase in volume of business. Other agencies have told us that they did not notice any result at all from the advertising. In some of the cases it was a noticeable fact that they had looked upon the campaign as merely a plan of advertising which was supposed to drive a lot of prospects into their offices asking for insurance. Obviously, to one who looked upon the campaign in that light it must appear as unproductive but the response which we have received from those who participated actively in the campaign and used their best efforts to capitalize upon the newspaper advertising and the great amount of publicity given the campaign during April, has almost invariably been that it was worth while from their standpoint and that they would be in favor of a repetition of the campaign another year.

INSURANCE IS KEYSTONE OF OUR ECONOMIC SYSTEM

ENABLES CREDIT EXTENSION

Norman R. Moray Claims Abolition of All Coverage Would Mean Unemployment for Most Laborers

HARTFORD, May 25.—Norman R. Moray, vice-president of the Hartford Accident & Indemnity, discussed insurance as the basis of credit and consequently the foundation of all modern business, before the Insurance Advertising Conference here this week. He said that insurance in this respect is labor's best friend. He used the term labor in its broad sense to include not only those who work with their hands in the shop or field, but also those contributing directly or indirectly to the great services of manufacturing, distribution and conservation, the chief executives of the large corporations as well as the laborer. He declared that wealth is in itself chiefly the product



NORMAN R. MORAY
Vice-President Hartford Accident

of labor. Material wealth in itself is not wealth. It is only through labor that it becomes useful to mankind.

Conditions Have Improved

Mr. Moray said that the condition of the laborer has been vastly improved as centuries have passed, though probably not solely because of a betterment in the quality of the labor. He said that it is questionable whether modern edifices will last as long as the pyramids of Egypt or some of the temples of the Greeks or cathedrals and castles of the middle ages. He said that there has been little or no improvement in the beauty of modern edifices. Few buildings of modern construction can rival the Parthenon in beauty.

Credit Foundation of Prosperity

Mr. Moray declared that workmen did not emerge from semi-vassalage until the birth of what might be called "warehousing" and all its tributaries. Under this system a group of men would purchase the produce of the laborer, whether or not there was an immediate want or use for it, transport and store up that wealth for future distribution and consumption. The greatest factor contributing to the system of warehousing and storing up in some form or another the production of the laborer was the introduction of credit, whereby one obtains the wealth without the immediate return of its actual value in the form of other wealth, but instead pledges that wealth as collateral for the ultimate return of the quid pro quo. The storing of wealth makes the production of it, on the part of the laborer

RISK RESTRICTIONS ARE TROUBLESOME TO AGENT

COMPANIES CURTAIL BUSINESS

Some Insurers Withdraw from Certain Parts of Florida and Others May Follow Suit

MIAMI, FLA., May 24.—Casualty agents located in centers along the east and west coasts of this state are not a little upset over the growing unwillingness of their companies to write general business in the territories mentioned save under such rigorous restrictions as to make virtually impossible the securing of certain types of risks. One of the prominent northern companies has practically quit operating in the state. Several others have so curtailed their activities as to justify the speculation that they too intend taking such action unless conditions show marked improvement in the near future. Agents are applying for the representation of the more recently formed companies, but the responses had thus far have not been encouraging.

A class of risks that has proven expensive to the offices carrying public and employers liability is that of the electric light and power plants. Because of the unstable character of the Florida soil, electric poles are constantly falling, resulting in numerous accidents, some of a severe nature. The large industrial population, much of it of foreign birth or extraction, employed in the tobacco plants at Tampa, is likewise credited with yielding a heavy loss to the casualty companies. Still another factor in the loss producing account is the severe automobile congestion to be found at the resort centers during the tourist season.

The conditions complained of along the two coasts do not obtain to anything like the same degree in the center of the state, where the experience of the carriers has been far more favorable, and where the companies are disposed to concentrate their future activities.

It is not anticipated that the compensation bill now before the legislature will pass, largely because of the opposition of the lumber and the phosphate interests. Both are partial to the creation of a monopolistic state fund, particularly if it would grant them rates below those now charged for employers liability indemnity.

Insurance Is Keystone

Thus, Mr. Moray argued, insurance becomes labor's best friend, because insurance is the keystone of credit. The present economic system rests upon a foundation of insurance. People would be unwilling to loan money on buildings, whether individual dwellings or skyscrapers, if the building itself were not insured against destruction. The only buildings to be erected would be by those sufficiently wealthy to do so without a mortgage. The only factory that could be equipped and operated would be by those sufficiently wealthy to be independent of banks or bonds. Automobile drivers would be restricted to men rich enough to pay for the damages they might inflict on others, or to those who have nothing to lose except their equity in their already heavily mortgaged automobiles. To touch upon the building trades alone, if insurance of every kind were abolished, men in the building trades would be unable to get new work, except from the extremely rich or the government.

SURETY UNDERWRITERS INTERESTED IN SUIT

Follow Progress of American Vibrolithis-Des Moines Clearing House Case

ACTION ON BANK FAILURE

Plaintiff Contends Heavy Deposits Were Maintained Because of Assurance of Institution's Stability

NEW YORK, May 25.—Surety underwriters will follow with considerable interest the progress of the suit of the American Vibrolithis Corporation against the Des Moines (Ia.) Clearing House Association for alleged damages of \$75,000 suffered through the failure of the Iowa Loan & Trust Company Bank of that city on Dec. 1 last. The contention of the plaintiff in the action is that it was induced to maintain a heavy deposit in the defunct bank through the advertised assurance of the clearing house that because of strengthening policies agreed upon by it after the collapse of several of the financial institutions of the state, no further failures were likely to take place.

The suit is the first of its kind to be brought in this country, so far as is known, and the issue involved is novel. Whatever the final decision of the court, one result of the action unquestionably will be to compel greater vigilance on the part of governing organizations in supervising the affairs of their member institutions, appreciating the moral responsibility they assume when pledging the responsibility of the latter.

Membership Is Influential

While the membership of a bank in a clearing house association is not a convincing factor with surety underwriters in their consideration of an application for a depository bond, it does to a considerable degree influence them favorably, and if there be any weakening in clearing house regulations, recognition thereof will be taken by the underwriters. It is the general practice of clearing house associations to make periodic examinations of the affairs of their member banks, and any disclosed weaknesses as a rule are promptly reported. Surety men call for clearing house statements frequently, and if these are not satisfactory the bond application is promptly turned down.

The understanding here is that when the plight of the Iowa Loan & Trust Company (one of the oldest institutions of its kind in the state and always highly regarded) was suspected, leading financiers of the city agreed on measures that would insure its continuance. For some unrevealed reason these were not put into effect and the institution closed its doors. It has since paid a 30 percent dividend, and expectation is that further dividends will come later.

Circumspection Rules

While there have been no recent bank failures of any consequence, underwriters continue to scan depository bond applications circumspectly, having had a sorry experience with the class in recent years. Notably are they guarded in requests for such coverage had from some of the financial institutions of Texas and Florida, in the former state because of the unsatisfactory condition of the cotton market, the price of the product continuing low, while they fear the banks of Florida are still straining under the effects of the reaction from the land boom in the state and the excessive price inflations that it induced. Many of the centers of the state continue to feel the ill effects of the infla-

KNOWLEDGE OF INSURANCE BUSINESS IS GREAT NEED

E. C. STONE DESCRIBES TOOLS

Tells What Preparation Agent Requires in Order to Equip Him to Render Service

PHILADELPHIA, May 25.—In an address at the Pennsylvania Insurance Day celebration here this week, Edward C. Stone, United States manager of the Employers' Liability, told "What Every Insurance Man Should Have in His Tool Kit." Mr. Stone said in part:

"The business of the insurance man is essentially a business of giving service. It is just as much a profession in this respect as that of the doctor, the lawyer, the engineer. There is just as much need for good advice with respect to the kinds and the amounts of insurance to be carried as there is a genuine necessity for consulting a lawyer about the principles of law applicable to any special deal in which we are about to



E. C. STONE
United States Manager Employers Liability

engage. The careful business man should take the same care to secure wise counsel in his insurance matters as he does to obtain the expert advice of the mining engineer, the chemist, or any other expert whose special knowledge makes his opinion worth while. Such being the nature of our business as insurance men, the tools we should carry in our tool kit are those which will enable us to give that most essential element of our vocation, service.

Experts Study Their Subjects

"Experts in other lines go to law schools, to medical schools, to technical institutions to acquire the knowledge of the fundamental principles of their professions. Unfortunately, as yet, there are few, if any, schools or colleges where special instruction of any great extent can be had as respects our great business. But we need not despair. Plenty of opportunities still exist for acquiring that necessary knowledge by joining or being associated with well-managed companies or persons whose lives and business experience have been devoted to insurance. Experience after all is the best teacher and by being continually alert, eager and ready to meet all problems,

tion, so much so that all classes of business are suffering and time and careful nursing will be required before the affairs of the commonwealth again assume a basis of stability such as will warrant insurance companies of all types to operate with their oldtime freedom.

METROPOLITAN PLANS NEW CAPITAL INCREASE

WILL ISSUE 30,000 SHARES

Expansion of Business Gives Rise to Necessity for Adding More Funds to Total

NEW YORK, May 25.—The Metropolitan Casualty will take steps to increase its capital from \$2,500,000 to \$3,000,000, and will add \$1,000,000 to surplus. The stockholders of the Metropolitan Casualty adopted the policy of increasing its capital and surplus whenever the expansion of business demanded it. The company has been moving along rapidly under the leadership of President J. Scofield Rowe. There will be 30,000 new shares at a par value of \$25 each. President Rowe in telling about the action says:

"This special meeting is called pursuant to a resolution of the board of directors, adopted May 17, 1927, unanimously recommending to the stockholders that such increase be authorized and that the new issue be offered to stockholders at \$80 per share, plus anticipated accrued dividend, in the proportion of one share of the new stock for each five shares of existing stock held by them.

"The directors in making this recommendation were guided by the obvious wisdom of maintaining a strong financial position while further strengthening our organization and consolidating the remarkable gains already made. The directors also feel that the company should be well equipped to meet the needs of its larger and more important clients in the highly profitable surety lines and that it should share in the financial and industrial development of the country as a whole while preserving and supporting the strong position which the Metropolitan has achieved and now occupies in the casualty and surety field."

we shall of necessity learn how to handle them.

"But however it is or may be acquired, knowledge of the details of the insurance business is an absolute essential for the insurance man. And the really appalling thing is the woeful lack of knowledge, the stupendous ignorance of insurance that exists in the public at large and even among ourselves. We simply must learn the first essentials, the fundamentals of insurance. We cannot give good advice without them. We must study hard, keep abreast of the times, find out the exact needs of our customers or clients, and be prepared and equipped to give the precise advice that those specific needs require.

Must Understand Technicalities

"Anyone pretending to act as an insurance counselor should be able to understand and to analyze company financial statements, should have a clear idea as to what reserves are and certainly know in a general way the operation of the laws regarding the setting up of reserves. A prospective customer certainly should be interested in the extent of the solvency of any insurance organization seeking his business, and any live, active, up-to-date insurance agent should be able to talk intelligently upon this subject.

"A clear understanding of, and an ability to explain, the terms of various policy contracts are other absolute essentials of him who would be something other than a mere commission chaser. Your customers' rights depend upon the wording of the contracts you advise him to purchase. Make sure that you understand them so that you can help him to take any necessary steps to protect those rights.

"Your duties should not end with the sale of a policy. Your advice and aid should be available to your customer so

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CLAUSE IS BARRED IN PENNSYLVANIA RULING

Nonassessable Provision in Reciprocal Policy Held in Violation of State Law

COMMISSIONERS UNEASY

State Officials Are Disturbed by Dangerous Practice Followed by Interinsurance Exchanges

Nonassessable reciprocal policies have struck a snag in Pennsylvania, where the attorney-general has ruled that they cannot be approved by the insurance department. The attorney-general holds they are contrary to the reciprocal principle, and that when an interinsurance exchange issues such policies it is virtually operating on a mutual basis without complying with the mutual laws, which require a surplus equal to the capital requirements of stock companies before nonassessable policies can be issued. The opinion was rendered April 6 to Commissioner Taggart of Pennsylvania, who had been asked by the State Automobile of Indianapolis to approve a nonassessable rider on its policies.

Dangerous to the Assured

Insurance commissioners gave a lot of unofficial discussion to nonassessable reciprocal policies at their recent meeting at Richmond, Va. Such policies are considered dangerous to the assured. The view is stated in the opinion of the Pennsylvania attorney-general, which was rendered before the Richmond meeting. The attorney-general said:

"A limitation of the liability of any member in the manner contemplated reduces the assets of the exchange available for the payment of losses. An exchange must necessarily rely upon the individual responsibility of each member in case the losses exceed the premiums actually collected."

Danger Signal Is Set Up

The nonassessable clause is of course a danger signal set up by the management itself. It shows a fear of assessments, but since there can be no assessments while a concern is able to meet its losses, such a clause shows lack of confidence in the continued solvency of the concern. This point applies to mutuals as well as reciprocals. A stock company backs its rates with the money of its stockholders, but only the members lose in a reciprocal or mutual. When a cooperative fails the manager starts a new one and keeps right on collecting his percentage. Thus he does not even lose a job, while he collects his own commission regardless of losses.

Injustice to Confiding Members

There is another danger to certain members of a reciprocal that uses the nonassessable clause, and this is illustrated in the failure of the Bull Dog of Washington, Ill., last winter. This danger is that the exchange will issue two kinds of policies, assessable and non-assessable. In fact, that is exactly what is done by great numbers of reciprocals. The result, however, is shown in the Bull Dog, where the burden is thrown on the members victimized with the assessable type of contract. Such members have been notified of a full assessment by Director of Trade and Commerce H. U. Bailey, who is the official liquidator of the defunct exchange under the Illinois law.

Thus the innocent buyer who trusts a neighbor, perhaps, who happens to be an agent for a reciprocal, gets stuck for the extreme limit of liability. He not only loses his own premium, like other

members, but is assessed for the full limit, while the cautious buyer, the one who demands a nonassessable policy, loses only his premium, and any loss, of course, that may be unpaid. The unfairness is obvious. It would seem that an exchange should be all assessable or all nonassessable.

Heavy Recent Mortality

The stir among the commissioners to protect members of reciprocals is undoubtedly due to the recent heavy mortality among that class of insurance concerns. The exchanges, especially the automobile exchanges, operate largely among people without much influence. Their operations as a rule are not large. Thus when one goes out there is very little rumpus. The victims pocket their losses, and have no redress.

The increasing number of failures, however, has forced attention. The failures have also weakened the political power of the reciprocals. When leading industrial interests would "come to the front" for reciprocals to prevent close supervision, on the theory that it was inspired by stock companies, both legislatures and insurance departments were inclined to go easy. After all, supervision is for the protection of the members and if they resent it, the inducement to officials to protect them against their will is not strong.

Now Favor Supervision

Probably the greatest blow to the immunity of reciprocals from effective supervision was the failure of the Associated Employers Reciprocal. That concern listed a great number of influential members. Now that those members find the United States court is going to take from them 24 percent more than their insurance would have cost in stock companies during a four-year period, in order to meet the obligations of the exchange, they are not so sure that supervision is a bad thing.

Probably also the more respectable reciprocals are now in favor of better standards for all. They suffer heavily from the numerous failures, as the public rightly becomes suspicious of the system. Thus the insurance commissioners doubtless feel they will meet less opposition and will even receive substantial support from the public in their effort to remove some of the more open abuses of the interinsurance plan.

KNOWLEDGE OF INSURANCE

BUSINESS IS GREAT NEED

(CONT'D FROM PRECEDING PAGE)

long as the contract you sell him is in force. When the occasion arises for him to receive the full protection of such a policy, your familiarity with what should be done by both the company and him will be of the greatest assistance.

"If we prove worthy of ourselves in learning thoroughly at least the fundamentals of this great business of ours, we shall secure a proper respect for our business and thus do far more in this way than in any other toward creating in the public mind a better feeling toward insurance. With this plain duty ahead of us, let us diligently apply ourselves to learning all we can about the essentials of our business and to gaining respect for that business."

Presents Safety Banner

MILWAUKEE, May 24.—William D. Hales, safety supervisor at the home office of Maryland Casualty, was in Milwaukee and Green Bay last week. While in Milwaukee he presented the Rice-Friedman Co. of this city with a banner for having ended a six months' period without having a loss time accident. This is in line with the movement of the Maryland Casualty to prevent accidents in industrial plants.

Mr. Hales was in Green Bay before coming to Milwaukee, attending the safety campaign conducted for the public in that city by the Association of Commerce. Carl Anderson, safety engineer for the company at the Gaedke-Miller agency here, was with Mr. Hales. The Green Bay safety program was under the direction of Earl Fisk, nationally known agent of Green Bay.

WORKMEN'S COMPENSATION

MUST HAVE SEPARATE POLICY

Wisconsin Compensation Insurance Board Issues Important Ruling on Handling of Excess Business

MILWAUKEE, WIS., May 25.—Excess insurance for workmen's compensation insurance risks will have to be carried through the means of a separate policy rather than by means of the standard workmen's compensation policy with the endorsement attached, according to a ruling of the Wisconsin Compensation Insurance Board. The rating committee of the Wisconsin Compensation Rating & Inspection Bureau had a sub-committee draw up an endorsement to be attached to the standard policy, and after approving the endorsement itself had sent it to the Compensation Insurance Board and the member companies for their approval. The ruling of the Compensation Insurance Board ends the discussion on excess compensation insurance which has ensued for several months.

The members of the Compensation Insurance Board gave as their opinion that excess insurance liability is a distinct form of insurance separate and apart from that of compensation insurance, and that consequently the correct procedure in handling excess coverage is to prepare a specific form of policy intended solely for its use. All companies extending excess coverage have been ordered to prepare their own policies and file a copy of same with the Compensation Insurance Board for approval.

Increase Wisconsin Rates

MILWAUKEE, May 25.—Compensation insurance rates in Wisconsin are to be increased July 1, the increase being 2.1 per cent, to accommodate the maximum indemnity benefit increase which was changed by the Wisconsin legislature this session from \$18.20 per week to \$19.50 per week. In addition the rates have been revised either upwards or downwards on approximately 40 classifications, resulting from the latest indications of schedule Z. The net result of this is to increase the premium level slightly, most of the increase being accounted for by the sharp increase found necessary in the logging and lumbering industry of the state.

Won't Enter Insurance Field

ST. LOUIS, May 25.—The Associated Industries of Missouri will not enter the reciprocal field to furnish workmen's compensation insurance for members of the organization. This was decided at a recent meeting of the organization following a very complete investigation into the situation by a special committee appointed by the Associated Industries shortly after the Missouri workmen's compensation act was declared law by Governor Sam Baker.

The committee decided that there are ample facilities for furnishing complete insurance protection to members of the state body, and that it will not be necessary for the organization to enter the insurance field.

Kansas Branch of Council Opened

TOPEKA, KAN., May 25.—S. C. Southard of Birmingham, Ala., has established the Kansas branch of the National Council on Compensation Insurance in Topeka. He came to Topeka last week and expects to have the office fully equipped and in working order by the end of the present week and also the files needed for handling the business of compensation insurance ratings in this state completed and in full operation. Mr. Southard comes from the Southern Compensation Bureau. He has had long experience in handling compensation inspections and ratings.

The final hearings on the proposed rates to become effective July 1 when

the new compensation law goes into effect are to be held June 6 for the general industrial lines and June 7 for the coal mines. These dates were set by the department for these hearings when the preliminary hearing was held in April.

Opposed to Self-Insuring

SALT LAKE CITY, May 25.—Chairman O. F. McShane of the state industrial commission, which supervises the operation of the workmen's compensation act, in an address in this city a few days ago, characterized the self-insuring privilege granted large corporations as "fundamentally wrong." Mr. McShane favored stricter rules governing self-insurers and more adequate safeguards to protect workmen who are to receive compensation over a period of years. The speaker also said that the industrial commission should be taken out of the realm of politics, declaring that when a public office is controlled by politics it gives sub-standard service and the cost is exorbitant.

Is "Final" Settlement Final?

AUSTIN, TEX., May 24.—A case of the importance to workmen's compensation insurance in Texas was submitted Thursday to the commission of appeals of the supreme court. The case is styled Mildred Morgan et al. vs. Texas Employers.

Morgan was employed in the oil fields and was injured in the course of his employment. He made a settlement with the compensation carriers for \$1,170 in full payment. This settlement was approved by the Industrial Accident Board and the money paid. Subsequently Morgan died from his injuries and his wife and child sued for damages, obtaining judgment for \$6,030. Their contention was that the amount paid could only be applied as a credit and that they were not estopped from setting up a separate cause of action for Morgan's death. The courts below sustained that contention, but the supreme court granted a writ of error in the case on the main point involved and will review for the final decision.

Sortie Calls in Business Men

BISMARCK, N. D., May 24.—Governor Sorlie has invited nine business men from all parts of the state to attend the annual meeting of the state workmen's compensation bureau here in June, and assist in the matter of making rates and in solving other problems confronting the bureau. All of the men invited have indicated their intention to attend if possible. Governor Sorlie believes the meeting will be advantageous both to the bureau and the business men. A. J. H. Bratsberg, Minot, president of the North Dakota Association of Insurance Agents, is one of those invited to the conference.

Mine Safety Schools in Virginia

Twenty classes in mine safety and accident prevention with an enrollment of 619 workers are being conducted in the Virginia coal fields under supervision of officials of the vocational division of the state department of education who voice the hope that by July 1 at least 1,200 miners will be enrolled. The Virginia Coal Operators Association and the Norton station of the United States Bureau of Mines are cooperating in the campaign to reduce accidents among the miners. While accidents in Virginia coal fields are said to be fewer than those in adjoining states, the operators still believe that the rate is too high.

Taxi Mutual Has Troubles

BOSTON, May 24.—The Independent Taxi Owners Mutual, one of the new companies organized this year to handle liability cover under the new compulsory law, is having its internal troubles. A meeting was called for Tuesday to vote in three new directors. Jeremiah McCarthy of Boston, a policyholder and member, sought an injunction against the meeting and the mutual was enjoined from holding the meeting. It was maintained that President William Lewis and Irving Hollander sought to control the votes and proxies for the meeting and to do so unlawfully allowed certain employees to appropriate blank proxies and secure signatures to them in blank.

GRADUATION OF MARYLAND CASUALTY TRAINING CLASS

BALTIMORE, May 25.—G. F. Michelbacher, vice-president of the Great American Indemnity, was the principal speaker at the graduation exercises of the Maryland Casualty training school held at the home office Friday. The exercises were attended by the entire home office personnel and friends and relatives of the employees.

Twenty-six members of the home office force received certificates from President F. Highlands Burns for successful completion of the advanced courses. Handsome silver cups were awarded to John A. Lambrecht for the highest average in the advanced surety class and to Ross A. Mask for the highest average in the advanced casualty class, the gift of the Marasco Alumni Association. Twenty-nine employees completed the elementary courses. The winner of the scholastic trophy in the casualty elementary course was Miss Mildred E. Childs; in the surety elementary course, Miss Murtha Brown.

Lincoln H. Lippincott, superintendent of the training school, made the opening remarks. President Burns expressed his gratification at the excellent record made by the students in their class work and heartily endorsed the work of the school in its service to the company.

Mr. Michelbacher emphasized the value of applying educational methods to the business of insurance. He is the author of a number of important volumes on casualty insurance, and as such was known to the graduates, as his work formed part of their collateral reading. He was accorded an enthusiastic welcome.

O'Donnell Lee, president of the Marasco Alumni Association, presented the trophies to the winners.

Company Opens Chicago Office

The Great National of Washington, D. C., which writes automobile business exclusively and which began writing business in the District of Columbia last October, has opened an office in Chicago and is in process of increasing its capital. It is expected the company will begin writing in Virginia and Maryland in about 30 days.

Officers of the company are Frank R. Reid, congressman from Illinois and an attorney of considerable insurance experience, president; Frederick N. Zihlman, congressman from Maryland, secretary; Spencer B. Curry, insurance underwriter, vice-president and general manager; William H. Webb, insurance counsel, treasurer; Dr. Samuel G. Davis, who formerly was connected with the Union Central Life as comptroller.

Prepare New Auto Liability Forms

Forms for use in connection with the new automobile liability law of New Hampshire, which becomes effective June 1, have been prepared by Commissioner Sullivan of that state. Commissioners Clark of Vermont and Wilbour of Rhode Island are also at work in the same connection. The new statute in Vermont also becomes operative June 1, while that of Rhode Island goes into effect June 21. The Maine statute, along somewhat similar lines, does not apply before the first of the year.

Drop Burglary-Liability Bureau

NEW YORK, May 25.—Improved conditions in the business have caused abandonment of the intended organization of a separate bureau by the casualty interests for the inspection of burglary and owners and tenants liability risks in greater New York. The idea was first suggested several months ago with a view primarily to reducing the number of burglary losses, but these decreased so markedly under the vigorous administration of Police Commissioner McLaughlin that company executives decided there was no real need now for such an organization.



Providing Insurance Protection *for Department Stores*

THE MODERN department store has greatly diversified insurance needs as well as multiplicity of merchandise. To analyze and provide for all the insurable contingencies requires no little effort. Consequently the man who is in charge of a department store's insurance welcomes the Ætna Plan as an ideal method of coping with the problem.

The Ætna-izer is thus able to render a valuable advisory service as well as provide all the various kinds of insurance found necessary.

*[If you would like to know more about
THE ÆTNA PLAN, write to
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ÆTNA CASUALTY & SURETY CO. AUTOMOBILE INSURANCE CO.
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Fire	Lightning	Explosion
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Riot and Civil Commotion		
Open Stock Burglary		
Mercantile Safe Burglary		
Messenger and Interior Robbery		
Paymaster Robbery		
Fidelity Bonds		
Check Alteration and Forgery		
Automobile	Teams	
Transportation	Parcel Post	
Public Liability		
Elevator Liability, Property Damage and Collision		
Compensation or Employers' Liability		
Sprinkler Leakage	Water Damage	
Plate Glass		
Electrical Machinery		
Group Life and Disability		

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You Can Meet the Keenest
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If You Sell
"BUCKEYE"
Plate Glass Insurance

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Our RATES are attractive!

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We will HELP you when you
 need help in securing large risks!

With "Buckeye" RATES
 and SERVICE you can get new
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PLATE GLASS DEPARTMENT

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 A STOCK COMPANY
JACKSON, OHIO

FREDERICK E. JONES
President

FRANK A. BURGESS
Treasurer

IRA L. MORRIS
Secretary

WITH BURGLARY UNDERWRITERS

DIAMOND RING CASE WAS UP

**Insured is Held Not to Have Sustained
 Burden of Proof to
 Justify Recovery.**

In *Rosen vs. Royal Indemnity*, supreme judicial court of Massachusetts, 156 N. E. 52, an action was brought to recover on a burglary policy for the loss of a diamond ring. It covered certain articles belonging to the insured, or any permanent member of his household. The facts of the loss were substantially as follows:

Facts of the Loss

Plaintiff's wife returned to her home late in the evening, placed the ring in question in her handbag with other jewelry, and then put the handbag in a closet in her chamber. The next morning she put the handbag in the kitchen cabinet, and that afternoon, when preparing to leave the house, she discovered the ring was gone although the other jewelry was not taken.

The family consisted of the insured, his wife and four children. A maid and chauffeur were also employed. On this state of facts, the trial court directed a verdict for the company on the ground that the plaintiff had not sustained burden of proof. On appeal the higher court in reviewing the record and in affirming this judgment, said:

Judgment Was Affirmed

"The policy did not protect against theft by any person whose property was covered by it. The burden was on the

plaintiff to prove, not only that the ring was stolen, but also that it was stolen by some person for whose larceny the defendant would be liable under the policy. The defendant contends that the evidence is insufficient to establish burglary or theft, and that, if theft is shown, the evidence does not exclude the commission of the crime by some one of the parties for whose act the policy gives no protection.

What Evidence Showed

"Mrs. Rosen testified that during the morning her children, chauffeur and maid had occasion to go to the cabinet for things there. There is no evidence that any one else went to it. If the ring were taken from the bag while in that cabinet, it is a matter of conjecture whether some one of these persons, and if so which one, took it. If it be assumed that the jury would have been warranted in finding that the ring was stolen, still the evidence fails to show that it was taken by a person for whose theft the defendant would be responsible. Judgment on the verdict."

Advocate Prosecution Fund

NEW YORK, May 25.—Creation of a special fund to aid in the prosecution of criminals, particularly those charged with robbery and holdups, was advocated at the annual convention of the New Jersey Bankers Association at Atlantic City a few days ago. It was pointed out that certain banks in northern New Jersey had contributed toward the expense of prosecuting payroll robbers, and that death sentences had resulted in several cases. The effect was a material lessening in this division of crime.

ACCIDENT AND HEALTH

FIGURES OF MUTUALS SHOWN

**Returns for the Accident and Health
 Companies for 1926 in Illinois
 are Given**

The assessment health and accident insurance companies received in premiums in Illinois last year \$3,707,155 and paid claims \$2,490,799. The leader was the Illinois Commercial Men's of Chicago with premiums, \$1,605,847 and claims \$1,273,798. The Illinois Traveling Men's Health of Chicago had premiums \$792,699 and paid in claims, \$556,077. The United States Mutual of Chicago is listed under the head of "general mutuals" in the Illinois report and not in the assessment companies. Its premiums were \$460,304, and the losses \$180,562. The Illinois Mutual Casualty of Peoria, also listed under mutual companies, had \$161,197 premiums and \$10,467 losses. The Mutual Casualty of Chicago, another of the same group, had \$746,930 premiums and \$495,924 losses. The Mutual Benefit Health & Accident of Omaha had \$397,519 premiums and \$257,976 losses. The Pyramid Mutual of Chicago which is a Negro company had \$207,313 premiums and \$103,020 losses. The Underwriters Mutual of Chicago, another Chicago Negro company, had \$128,009 premiums and \$54,050 losses. The Woodmen Accident of Lincoln, Neb., had \$106,287 premiums and \$57,017 losses.

Best Heads Accident Department

E. E. Best, who became special agent for the Home Life of Little Rock, Ark., a year ago, has been made manager of the new personal accident department of the Home Accident with headquarters at Little Rock. Mr. Best will handle the production of personal accident business chiefly through local agents of the Home Accident. The company has issued a standard all hazard accident policy to be called the "Rescue All Hazard" policy and will offer a number of other policies covering various special hazards.

GLOBE CASUALTY'S NEW FORM

**Some Interesting Features of an Acci-
 dent Policy That Is Just Put
 on the Market**

The Globe Casualty of Columbus, O., announces a new accident policy called the "Perfect Income Protective Policy," which has a number of unusual and special features. One provision of the policy extends the coverage beyond the regular premium due date for a limited period of time. The premium charged for this particular guarantee will be returned to the assured upon request and surrender of the policy, that is, such part as is unearned. For claims arising within the month when a change of occupation takes place or at any time provided the assured has given written notice of change of occupation 30 days prior to the date of disability, there will be no pro-rating of indemnity for change of occupation. Otherwise the regular pro-rating standard provision No. 1 terms prevail. All indemnities of the policy are increased 5 percent at the end of each year that the policy is maintained continuously in force until all indemnities have been increased 50 percent. The policy is written on the non-cancellable term basis, but in no event will the insurance be carried beyond age 64. The insuring clause insures against disability caused "through accidental bodily injury."

Sentinel Life's Contest

KANSAS CITY, MO., May 25.—The Sentinel Life is starting an agency production contest on life and health and accident business, to begin June 1 and continue through July 31. The contest has been named the "Sentinel's Treat" because the Sentinel has invited the agents of the Employers Indemnity in those states where the Sentinel is not yet licensed to enter the contest, allowing the same amount of credit in the contest for Employers Indemnity health and accident business written by Employers

We Report Progress

In the first four months of this year this Company showed nearly 60% increase in the volume of its net fidelity and surety premiums written.

In the first half of May, our net premium volume in the same lines was equal to the total premiums written for the full month of May, 1926.

That is because agents are learning that our underwriting facilities are unequalled and that the cooperative service we give to our representatives in the field is the sort which enables them to create and hold good fidelity and surety lines.

We don't go after business direct but develop it through agents and brokers.

We have openings for a limited number of general agents, regional agents and local agents at a number of points in the United States and will gladly discuss the matter with any good agent who may be interested.

We are still intent upon our effort to make this more and more "if not yet the biggest at least the best multiple line Company on Earth" and to that end, give every agent of ours all the cooperation a reasonable man can fairly ask.

NEW YORK INDEMNITY COMPANY

SPENCER WELTON, *President*

115 Broadway, New York City

New England Department
Insurance Exchange
Boston, Massachusetts

Western Department
Adams-Franklin Building
Chicago, Illinois

Pacific Coast Department
Corporation Building
Los Angeles, California

"An American Company"

Pertinent Facts

*Every Agent Knows
or Should Know*

THE Georgia Casualty Company writes all lines of casualty insurance including—Automobile, Burglary, Property Damage, Plate Glass, Liability and Workmen's Compensation.

When the Georgia Casualty speaks of Service—it means service plus, the kind that allows the agent to handle his own property damage adjustments if he so desires, that wins new clients and holds the old ones by a liberal adjustment policy.

The ratio of Assets to Liabilities is most favorable, one of the highest in the United States—denoting financial strength gained through satisfactory service.

The Georgia Casualty operates in thirty-nine states and has Surplus and Reserves to policyholders of \$2,581,582.80.

We want agents where we are not now represented. We can show you why you need us. Information costs you nothing.

Georgia Casualty Company

W. E. SMALL - President

Atlanta, Georgia

Central Department

W. W. Heise, Mgr., 721 Insurance Exchange, Chicago

*Writing Casualty Insurance
Fidelity and Surety Bonds*



FEDERAL SURETY CO.
HOME OFFICE DAVENPORT, IOWA

agents as for Sentinel health and accident.

Eureka Sells Accident Business

B. L. Dowell, general manager of the Eureka Casualty of Los Angeles, has announced the sale by that company of its accident and health business to the Occidental Life. It is understood that this action was taken in order to permit the Eureka to concentrate its activities on a plan of expansion of other lines, the details of which are not yet ready for publication. The greater part of the company's business consists of automobile lines, the volume of which has grown rapidly since the company was organized and entered the field in November, 1924.

Yakey Addresses Time Agents

MILWAUKEE, May 24.—Byron F. Yakey, president of the Chippewa Valley Casualty of Milwaukee, addressed the weekly meeting of the city force of the Time here last week at its luncheon. Mr. Yakey pointed out the duties and responsibilities of health and accident agents and the possibilities of their field.

American Bankers Promotions

The American Bankers has promoted W. B. Griffin, former agent at Cincinnati No. 1, to assistant manager of the Detroit district. J. P. Reilly, former agent in the Springfield district, has been made assistant manager in that district.

Pays Big Double Indemnity Claim

BALTIMORE, May 24.—The Standard Accident of Detroit has just settled a record death claim here, when it paid \$45,000 on the death of W. Harry O'Connor, who was burned to death last

month. The policy was for the principal sum of \$22,500, with double indemnity for death in a burning building.

Automobile Club Offers Policies

KANSAS CITY, MO., May 25.—The Automobile Club of Kansas City is offering a \$1,000 accident insurance policy with each new membership and with every renewal of an old membership. The policy covers any accident which can happen to the holder from a motor driven vehicle, whether he is driving or not. The insurance is carried in the Lumbermen's Mutual Casualty of Chicago and is renewable each year for five years, increasing 10 percent of its value each year for that time. The policy provides for \$1,000 payment in case of death or for the loss of both eyes, both feet or both hands and \$500 is paid for the loss of one of these members. In case of total disability \$10 a week is paid for 30 weeks.

Illinois Mutual Casualty Convention

The annual agency convention of the Illinois Mutual Casualty will be held in Peoria June 20-21.

McNary Cincinnati General Agent

KANSAS CITY, MO., May 25.—F. L. Hildebrand, superintendent of agencies of the Sentinel Life, was in Cincinnati last week, where he completed general agency arrangements for southwestern Ohio with T. H. McNary. Mr. McNary is located at 1017 Provident Bank building, Cincinnati, and will represent both the life and the accident and health departments of the Sentinel.

The Louisville Life & Accident, writing industrial health and accident, has filed amended articles increasing its capital from \$100,000 to \$300,000.

AMONG SURETY MEN

PROPOSE CHANGES IN RULES

Surety Association Meeting Next Week to See Important Matters Considered

NEW YORK, May 25.—When the Surety Association of America meets in special session at the Hotel Pennsylvania here May 31, consideration will be given the recommendations of its executive committee, making obligatory upon all members the strict observance of the organization's rules, and that failure so to do will compel the acceptance of the resignation of any objecting company. The committee further recommends that the reinsurance of business be confined strictly to association offices, and in addition would have member companies refrain from becoming co-sureties on any bond or suretyship obligation with a nonaffiliated institution. The present rule covering commissions to be paid for reinsurance from non-member companies, the committee holds, should be repealed.

There is nothing startlingly new in this, which for the most part is but a reaffirmation of the former attitude of the association, but in submitting the recommendations to the members at this time the executive apparently feels that their adoption will emphasize anew the need for thorough cooperation among the organization companies and their determination that this be consistently had.

Gratified at New Law

NEW YORK, May 25.—Officials of surety companies are pleased with the recent passage by the Florida legislature of the bill repealing the present requirement that offices deposit with the state treasurer the full amount of any suit against them in the state until such time as the action be disposed of. The measure is now before the governor and confidence is expressed that he will sign it. While the law, which the new bill supersedes, has been upon the statute books for a number of years, the administration appreciated the hardship its application imposed upon the surety companies, and have shown their sympathy by repealing the unnecessary requirement.

BANK CAPITAL IS TOO SMALL

President American Bankers Association Tells Alabama Bankers Reasons for Increase of Failures

Indications of what the trouble has been in the depository bond business in certain parts of the country in the last few years are contained in an address made by Melvin A. Traylor, president of the American Bankers Association, before the Alabama Bankers Association convention at Birmingham. In part Mr. Traylor said:

"All bankers have been startled by the large number of bank failures in recent years in some parts of the country. There are certain features so striking they cannot escape notice.

"In 1924, 777 banks failed. Of these, 511 had \$25,000 or less capital. In 1925, 612 failed. Of this number, 369 had \$25,000 or less capital. In 1926, 956 failed. Of these, 615 had capital of \$25,000 or less. It is therefore a fair conclusion that one reason for the numerous failures is that many of the banks are too small.

"In former years when it was difficult for people living in outlying communities to get to larger centers, small and under-capitalized banks may have been a necessity. At present there is no such excuse. The automobile has made it possible for even distant towns to keep in close touch with larger centers, and there is no justification, in my opinion, for any bank's having less than \$25,000 capital.

"I also believe there should be more strict requirements with regard to building up surpluses than is now the case with the national bank law or the average state bank law. Perhaps it is not going too far to say that no dividends should be paid until the unimpaired surplus of a bank is equal to its capital. If this is going too far, then I am sure dividends to stockholders should be limited to an annual rate not exceeding the current rate paid by the bank on savings deposits until such time as the surplus equals the capital. It seems clear to me that if we eliminate banks having less than \$25,000 capital and compel

banks to build up a proper surplus a large percentage of failures will disappear."

SEEK TO ENFORCE NEW RULES

General Agents Are Taking Steps to Control Acquisition Cost According to Plans

Resident general agents of surety and fidelity companies in Detroit, Pittsburgh, St. Louis, Providence and other important centers are actively cooperating with the national agency committee of the company organization in seeking to enforce the new acquisition cost rules. A questionnaire sent out by the St. Louis men, which is a fair sample of that used elsewhere, asked the local managers whether they have put the rules of the national body into effect both in their own offices and throughout the territory under their particular control.

Over 4,000 agencies have now been listed with the headquarters office and additional names are coming in daily. The New York field has been fully sifted. It simply remains for the companies to advise of any special contracts with agents or brokers they may still have in force that are not in strict conformity with the new regulations.

Wisconsin Bill Favorably Reported

MADISON, WIS., May 24.—Passage has been recommended to the Wisconsin assembly for bill 520-A, relating to the bonds of treasurers of towns, cities and villages. This provides for the treasurers to file officials' bonds which are to be furnished by surety companies. It also calls for the treasurer, comptroller, justices of the peace and police chiefs of cities to file bonds with two or more sureties, provided that the bond of the treasurer is furnished by a surety company.

Appeal to U. S. Supreme Court

LINCOLN, NEB., May 24.—The Globe Indemnity has taken the necessary steps to appeal to the United States Supreme Court from the decision of the state supreme court in a suit brought by Scottsbluff county, which holds surety companies that write depository bonds for national banks to a responsibility they have never assumed.

Nebraska has a state law that forbids county treasurers depositing in a bank any more than 50 percent of its capital and surplus. The Globe Indemnity furnished bond for the First National Bank of Gering, which failed. The county sued for all of its losses. The Globe contended that it was responsible for the deposits only to the legal limit. The state supreme court says it is liable to the full amount of its bond for all losses. The company's contention is that the federal law does not authorize a bank to violate a state law and thus carry with it to destruction its surety guaranteeing only its legal acts.

Contract Bond Decision

Whether contractor's surety bond intended to cover supplies not going into construction of the work.—This was an action on a surety bond. A contractor constructing a state highway had furnished a bond which was conditional that the contractor "shall well and truly pay all and every person furnishing material or performing labor in or about the construction" of the highway. Plaintiff had furnished hay and grain for the horses, gasoline and grease for the machinery and trucks used in and about the construction; also foodstuffs consumed by the laborers, the contractor and his family while the work was in progress; also coal used for cooking and heating purposes, lumber, nails, etc., used in erecting the cooking shack and sleeping quarters at a camp on the highway. Plaintiffs contended that the words "in or about the construction" applied to material as well as labor, whether becoming a part of the completed work or not.

Held, that the bond was not subject to the construction contended for by plaintiff. In the absence of a showing of intention that the bond should cover supplies other than material which has gone into the construction, the liability of the surety does not extend beyond the payment for materials which have gone into and become a part of the completed work. Such liability, therefore,

does not include equipment, of which the construction of the camp may be a part, fuel, oils, lubricants for machinery, feed for horses used, groceries consumed by the laborers or other supplies not going into construction.—Gary Hay & Grain Co. vs. Fidelity & Deposit, Supreme Court of Montana.

Pittsburgh Association Elects

At the annual meeting of the Surety Association of Pittsburgh, the following officers were elected: President, W. R. Thomas; vice-president, L. A. Gott; secretary-treasurer, W. J. Johnson. The officers and A. W. Pardew, Howard Shaw, William J. Zwiggli, F. E. Bradenbaugh and John L. Wallace constitute the directors.

To Write Huge Bond

NEW YORK, May 25.—A completion bond of \$3,000,000 will be required of the successful bidders for the construction of the Fulton street subway of this city. The bond will run 52 months, and calls for a premium of \$337,500.

Files Suit for Accounting

DES MOINES, May 24.—Suit to require an accounting of expenditures and reimbursements in connection with Ringgold county improvements on primary road No. 16 has been filed in United States district court by the United States Fidelity & Guaranty. The company claims that Campbell & Buck, Des Moines contractors, failed to carry out their agreement with Ringgold county and that the duty fell to the bonding company. The suit is directed against Campbell & Buck, Ringgold county, the Iowa state highway commission, the state auditor and other claimants in connection with the road improvements.

The U. S. F. & G. holds that it is entitled to about \$9,000 remuneration under the Campbell & Buck contract. It is alleged that state officials have refused to pay the claim.

PLATE GLASS INSURANCE

RATING PLAN IS EXPLAINED

F. S. Garrison of the Travelers Indemnity Tells Actuaries How System Works in Practice

At the recent Boston meeting of the Casualty Actuarial Society F. S. Garrison, assistant secretary Travelers Indemnity, read a paper on "Experience Rating for Plate Glass Insurance," which in part was as follows:

Experience rating has never been applied to plate glass insurance until recently, although various experience rating plans for this line have been proposed and considered during the last three years.

It would appear that the plate glass line lends itself to experience rating as readily as the other lines to which the plan has been applied. The plate glass experience rating plan may be said to measure not only the hazard incidental to ownership and control, but also to supplement the manual classification rate system by reflecting physical hazards not recognized in the rating procedure.

For example, in a particular rating district or zone there may be two identical risks, except that one may be located on a windy corner or large plates in the building in the middle of the block may face an intersecting street in such a way as to make the large plates more subject to breakage from windstorm. The other risk may be located in the same rating zone but not be so directly in the path of wind storms. Without experience rating there is no means of differentiating between these risks. Experience rating will to a great extent remove the discrimination that has heretofore existed in connection with such risks.

Bureau Plan Covered

The rating plan adopted by the National Bureau of Casualty and Surety Underwriters last March differs from most other plans in that the actual loss ratio produced by the incurred losses

OVER \$20,000,000.00 IN ASSETS

ANOTHER MILESTONE

STANDARD has just reached the forty-third milestone in its path of progress.

Forty-three years ago STANDARD'S entire force consisted of two men and one clerk. Today our Home Office alone maintains a force of nearly seven hundred people actively engaged in serving STANDARD'S agents and their clients. In forty-three years we have grown from a small local office to an institution with nation-wide interests.

But in all these years of progress and achievement—STANDARD has never forgotten and never will forget—that it is the result of the whole-hearted co-operation of the men in the field. Their success has been ours.

The STANDARD shall *never* grow so big that the desires and needs of the individual agent will be forgotten.

STANDARD ACCIDENT INSURANCE COMPANY

DETROIT

One of the Oldest and one of the Largest Casualty and Bonding Companies of America



GENERAL ACCIDENT

FIRE AND LIFE

ASSURANCE CORPORATION, LTD.

Accident and Health, Burglary, Plate Glass, Steam Boiler, Automobile Liability, Property Damage and Collision, Elevator, Teams, Public Liability and Workmen's Compensation

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and the premiums earned for the experience period are used without bringing them down to present day levels. The loss ratio thus produced is compared with the loss provision in the rating formula, which in this line is 42½ percent of the premium. The difference between 42½ percent and the actual loss ratio of the individual risk is then divided by 42½ percent. The resulting departure from manual rate is then modified by a credibility factor. A risk cannot receive a debit unless its loss ratio exceeds the permissible loss ratio, nor can it receive a debit if it has experienced only one loss.

Risks Must Qualify

A plate glass risk to be eligible for experience rating must qualify under each and all of the following conditions: Have had an exposure of at least 25 plates each year during the minimum experience period; have at least 25 plates to insure for the ensuing year; produce a manual premium of at least \$250 for the ensuing year. There is also a provision that if a risk is once eligible for experience rating, and has been so rated, it shall be eligible for succeeding years, provided the number of plates to be insured is not less than the number of plates insured when the risk was first experience rated.

While it is possible to bring the earned premiums for the experience period down to present levels, it was found it would be impracticable to give the losses similar treatment, particularly on the larger risks, because of fluctuations in the price of glass.

Contrary to the belief of some underwriters, some plate glass policyholders whose experience has produced a debit are continuing their insurance, as evidenced by several debit rated risks approved by the Bureau during the first six weeks of the operation of the plan. The very fact that a risk produces a debit on its own experience is the best indication that the assured in that case needed plate glass insurance.

Oklahoma Plate Glass Rates

In a recent issue of The National Underwriter it was stated that the plate glass rates in Oklahoma had been reduced 20 percent in addition to a 10 to 15 percent reduction in July, 1926. J. H. McElroy, actuary of the State Insurance Board, declares that this item is misleading, as there was no reduction in plate glass rates last July in Oklahoma. He states that at that time the insurance journals carried a statement that Oklahoma was the only exception to the rule under which plate glass rates were reduced throughout the United States, but that in any event there was no reduction in the state in 1926.

The total net premiums received by all insurance carriers in Oklahoma in 1926 under plate glass contracts were \$192,051, while the losses paid, according to the annual statements of these carriers, were \$61,221, indicating a loss ratio in 1926 of 31.8 percent. From the basis of this experience together with a reduction in the plate glass market, the 20 percent reduction in rates was ordered. This reduction was approved by representatives of plate glass companies at that time. Mr. McElroy declares that the Oklahoma law does not empower the commissioner to accept or reject rates for insurance in any manner, so that the statement that he had ordered the reduction was inaccurate.

Must File Rates and Rules

NEW YORK, May 25.—Superintendent Beha has notified all casualty companies licensed in New York of the law applicable July 1, requiring approval by the insurance department of "rates and rules to be employed in writing insurance coverage or surety bonds on public motor vehicles insured or bonded under the provisions of the highway act." It will be necessary, Mr. Beha says, to make filings not later than June 15. Attached to his letter is copy of a declaration of assured, which must be filled out in all instances before new policies or bonds can be executed. The national bureau will file the rates on behalf of its member companies.

PERSONAL GLIMPSES OF CASUALTY MEN

"Jimmy" Crossan, well known Chicago golf player who has made records at a number of courses in the Chicago district, has joined the insurance agency of J. J. Falvey & Co., that has just moved to its new offices in the Franklin-Adams building. Mr. Crossan was formerly the professional at the Wheatley Hills course on Long Island. He located in Chicago, becoming connected with a financial brokerage house. He is now devoting his whole time to insurance and as an opener during two weeks time has sold 60 golf liability policies, all written in the Continental Casualty of which Falvey & Co. are general agents.

Vice-President Alfred E. Forrest of the North American Accident at Chicago returned to his desk Thursday of last week after spending three months at his winter home in the Redlands district of California. Mr. Forrest bought a farm of 20 acres, all being an orange grove.

William J. Unverzagt, superintendent of agents of the Maryland Casualty, died suddenly of heart disease at his home here last week, at the age of 58.

Mr. Unverzagt was connected with the Maryland Casualty for 15 years. At one time he was vice-president and super-

intendent of agents of the American Bonding Company of Baltimore. His service for the two companies extended over a period of 22 years. Through his many years of association with the members of the insurance fraternity he acquired a thorough knowledge of national conditions. He was deeply interested in all matters which tended to elevate the insurance business to a plane consistent with what the business merits.

The sympathy of friends is being extended to Glenn E. Harsh, vice-president of the Federal Saving of Indianapolis, and to his brother, Edwin H. Harsh, special representative of the company, in the death of their mother last week, following a painful accident in which she was badly burned. A third son from Syracuse, N. Y., was also present at the funeral.

John L. Mee, vice-president and agency superintendent of the National Surety, has so far recovered from his recent severe illness as to warrant his leaving the hospital for his home. Within a few days he will go to a Pennsylvania mountain resort, where a complete rest should restore him to complete health.

IS AVERSE TO "HOKUM" IN PUBLIC RELATIONS

(CONTINUED FROM PAGE 45)

the people are satisfied and good and enduring relations are established with them. To it they 'pass the buck' and expect it by the salve of words, the balm of promises, and the sedative of propaganda to mitigate or offset the effect of unethical or dubious business practices.

Business Must Deserve Goodwill

"Immunity from public suspicion, prejudice and antipathy can not be thus easily purchased. The public's impression of an industry can not be materially altered by a few hired men talking and writing about its virtues. The business itself must live and act in such a way as to amply justify the praise it thus receives and the encomiums heaped upon it by its expert promoters must be true if the money, time and effort spent in such endeavors is not wasted. In a word, favorable public opinion can be developed and good public relations maintained only by institutions which are honestly conducted, which sell their products at a fair price, which frankly and truthfully set forth their processes and their problems, which live up to the highest ideals of service, which have a precise regard for all public and private obligations, which have no 'dirty linen' to wash either in public or behind closed doors, which show respect for both statute law and moral law, and which at all times and all places deal with their patrons with absolute equity, with unflinching courtesy and with perfect fairness.

Must Merit Desired Praise

"During the last two or three years, as you may know, there has been much talk among casualty leaders concerning this problem. It seems likely, I am told, that before very long some definite action will be taken toward a united effort to popularize the casualty business. I want to impress on all of those engaged in the casualty business the fact that unless they give of themselves unreservedly to such a campaign, unless they see to it that the business they are conducting actually deserves the praise which they want it to receive, unless they are willing personally to co-operate in this undertaking not only today, but tomorrow and next year, unless they are willing to respond wholeheartedly and without evasion to every call

for aid, advice and comfort from those charged with the direction of the work, unless, indeed, they will do all of these things and more, too, if required, any organization, bureau, or department to which the main task of direction may be assigned will soon degenerate into a stupid, ineffective and expensive press agent emporium.

Must Observe Obligations

"I think that popularizing casualty insurance offers a more alluring prospect than popularizing fire insurance. As a topic for appealing publicity our business has more latent assets. It ought to be easier to arouse interest in it. It ought to be easier to make the public think favorably of an institution which indemnifies maimed and injured human beings than of one that pays fire losses, provided, of course, that it conducts its business on a high plane and has due regard for the social and humane obligations imposed upon it by law and custom. And this last proviso is all important. The casualty companies have the background of human appeal essential to arousing public interest and promoting public approval. The question is, can they seize, hold and develop that prize?

Business Is Part of Public

"American business in its strenuous efforts to obtain public good will, seems to have completely overlooked the fact that it is itself a part and parcel of the public, and that there exists an interdependence which needs development from a theory to an actuality in every day life. It will be found, however, that the sound and progressive men of the country gradually are becoming aware of their dependence on each other, and it has not been difficult to show them when the opportunity has arisen that their dependence on sound insurance is fundamental. We can not expect success in widening this avenue of approach, however, if we do not in turn fully recognize that we are a part of the public and if we do not show a friendly feeling toward all who would tell us their stories, even if at first they will not listen to ours.

Wants Responsible Activities

"I would like to see built up within the casualty insurance business a science of public relations, recognized and supported because it is as essential to our progress as are underwriting and finance. I would like to see every company have a department in charge of a major officer engaged in this branch

of work exclusively, studying, experimenting and perfecting methods and their application. I would like to see these officers and departments made directly responsible to the board of directors of each company, shaping and making the policies of the business with a view to their effect on the standing of the company in public good will, friendship and confidence, as well as their effect on the company's financial standing.

Cannot "Pass the Buck"

"Such company departments, of course, should be tied up with a central bureau representing the business as a whole, and this bureau could determine the major policies of the institution of casualty insurance, point the way to the objective sought and broadcast to the public independently or through its various company hook-ups. Such a bureau, however, will be of little use unless the companies so recognize the value of public relations work that they will attend to it themselves in some such manner as I have indicated. They can not successfully 'pass the buck' to some organization and then retire from the picture to conduct business as usual. There must be a unified effort to win public good will."

SURETY SITUATION IN IOWA IS DEMORALIZED

(CONTINUED FROM PAGE 45)

in and to his great surprise, a large, juicy plum is handed him—with perquisites aplenty going to the "disinterested" friend. Under such conditions the contractor is not left wholly in the cold, but is given a part of the agent's commission simply because he is a good fellow.

Promoter Named Security

Recently, a large contract was let for the erection of a new building at one of the state institutions, but not a part of it, involving the expenditure of a half million dollars. The contractor, apparently not versed in the custom of the time, went to a reputable agency in Des Moines and secured a bond at the standard price of \$15 per thousand. In financing the building enterprise, it was necessary to float a bond issue and the promoter of this part of the program demanded the naming of the surety company that was to stand behind the contractor, and so urgent was the request that the contractor asked to be relieved from the contract previously made and this was granted. Just what concession was made to the promoter has not developed, but somewhere behind the wood-pile was a Rebate with a big R that made it easier to float the bond issue for the erection of the big building.

Thus not only has the surety business been demoralized but the infection has reached workmen's compensation and has brought that element of public and personal safety under the blight of a rate cutting miasma.

The disintegration of the surety business in Iowa has been going on for some time. A couple of years ago an investigator was sent into the state by the Surety Association of America but nothing resulted to relieve the situation. Matters have reached a point where many agents believe that some organization, if such there be, with authority to act, should step in and reestablish order.

Baltimore Casualty Stocks Active

BALTIMORE, May 24.—Leadership on the local stock market last week was retained by the surety stocks, especially Fidelity & Deposit and United States Fidelity & Guaranty. The first mentioned stock made a new top for all time at 220. United States Fidelity & Guaranty, which has just reported a profitable four months' business, advanced a number of points. Maryland Casualty was unusually active, but failed to advance, evidently meeting with fair-sized offerings. New Amsterdam was firm.

Buying of this group was chiefly on the part of the same local house that has been executing orders for these shares for some time for account of scattered out-of-town investors.

BEHA BARS FORGERY BOND DISCOUNT PLAN (CONTINUED FROM PAGE 45)

ever, a new filing is being made in this respect.

The second point involved a recent addition to the rating endorsement attached to the bond, by which the company agreed that it would under no circumstances refuse to pay any loss on the ground that the insured had failed to use the protective devices. This endorsement was required to meet what we regarded as the unfair competition of another company which secretly attacked the good faith of the Metropolitan.

Believe Law Is Complied With

"We still believe the new endorsement to be in conformity with the statute. We feel that the loss experience of a group of assureds, each promising to use protective devices, must necessarily be better than that of a group making no such promises. Business men customarily intend to perform and do perform their agreements.

"However, since the competitor in question has promised to discontinue the attacks which prompted the endorsement, and since there now seems to exist a harmony which was missing before, we propose for the time being at least to return to the form of endorsement heretofore used.

"There is nothing in the department decision which in any way holds the discounts themselves to be discriminatory. If the department had attempted to make any such ruling, we would have taken an immediate appeal to the courts. The merit rating of forgery bonds is economically sound and, in our judgment, meets a public demand. So far as we are concerned, it has come to stay."

REINSURES STEAM BOILER, ENGINE AND MACHINERY

The steam boiler, flywheel and engine breakage insurance of the Indemnity of North America has been reinsured in the Hartford Steam Boiler. The Indemnity of North America had a premium income on business of these classes amounting to approximately \$160,000. It found that the cost of inspection on volume of business was excessive.

Confer on Coast Conditions

LOS ANGELES, May 25.—It has been announced that early in June, definite date to be decided later, a joint meeting will be held in Los Angeles of the northern and southern California sectional committees of the California branch of the National Bureau of Casualty & Surety Underwriters and the Casualty Association of Los Angeles. It is understood in connection with this that the northern California sectional committee of the Conference on Acquisition & Field Supervision Cost for Casualty Insurance will attend the meeting for the purpose of discussing problems of common interest with the southern California committee of the same conference. There will also be a general discussion of the operation of the Bureau in this state.

Texas Capital Requirement

AUSTIN, TEX., May 24.—The attorney general's department of Texas, in an opinion by Assistant Attorney General Cousins, has held that any company organizing at this time under the statutes of 1925 must organize with and maintain a capital stock of \$100,000, whether such corporation organizes merely to a fiduciary and depository business or a guaranty and fidelity business as well. A corporation which was organized under the statutes prior to the 1925 codification is not required to have a capital stock of \$100,000 if it does not do a fidelity and guaranty business.

A trust company organized under statutes prior to 1925 is not required to make and maintain with the state treasurer a deposit if it does only a fiduciary and depository business, but it must make a deposit with the state treasurer and maintain the same if it does in addition to its fiduciary and depository business a fidelity and guaranty business.

NEW TEXAS COMPANY IS COMPLETING ORGANIZATION

DALLAS, TEX., May 25.—The Traders & General of Dallas is rapidly completing its organization with \$500,000 capital and like surplus. It will write general casualty and surety lines through general and local agency connection, but will devote particular close attention to automobile liability and property damage and general liability insurance. Automobile collision, fire, theft and transportation and workmen's compensation insurance will be handled along conservative lines. The company will also write fire insurance, and fidelity and surety bonds when and wherever it appears profitable to do so.

Temple H. Morrow, owner of the T. H. Morrow Lumber Company of Dallas, is president. The technical operation of the company will be under the supervision of its vice-president and general manager, J. J. Watson. Mr. Watson has had many years of executive experience in casualty and surety lines, having been connected with prominent companies, among them the American Indemnity. Edward C. Hillman, vice-president, who will have charge of field production, has been a well known business man of Dallas for many years. Perry W. Wimberly, secretary and treasurer, is a well-informed insurance official and has spent his entire business life in the insurance field.

A substantial amount of the stock has already been subscribed and the remainder, with a par value of \$10, is being offered at \$20 to provide the surplus.

Error in Kansas Table

The table recently published in The National Underwriter showing the business written by the various casualty companies in Kansas in 1926 showed the State Farm Mutual Automobile of Illinois as writing total automobile premiums of \$224,350. This figure was totally incorrect, as the State Farm Mutual Auto was not admitted to Kansas until March, 1927. Through a clerical error the figures on the business written by the company in Illinois in 1925 were transcribed.

Unfortunately this error placed several of the other companies in an embarrassing position, as these figures would indicate that the State Farm Mutual Automobile was the largest automobile insurer in the state, whereas it did not write anything. As a matter of fact, the leading automobile carrier in the state was the International Indemnity of California, which had total premiums of \$140,999 and losses of \$59,951.

Question Nebraska Mutual's Status

LINCOLN, NEB., May 24.—The right of the Federated Merchants Mutual of Nebraska to write burglary and plate glass insurance is challenged in a suit filed by Attorney General Spillman. He asks that its license be cancelled, charging that it is writing fire, lightning, tornado, hail, burglary, auto collision and auto liability, which are more than it has been given authority to do. It is also claimed that, organized under one subdivision of the insurance law, it is writing more than any one subdivision authorizes.

The 1925 legislature passed a law March 31, immediately effective, which permitted companies like the defendant to write burglary insurance. Three days later it passed another law that did not permit such writing, although the legislators did not know this fact. This second law did not become effective until July 2, and before that date the company, working under the March 31 law, got a license to write burglary insurance. The attorney general holds that the second law cancelled the first one.

Scope of Agency Contract

Held that under the terms of the contract, if the company at any time concluded not to write certain risks it could withdraw authority to write them without previous notice, and that the agent's duties and powers were broad enough to cover all business that might be done in the territory, thus excluding the idea that there was any business left to be attended to by other agents not appointed by him. *Macke vs. Globe Indemnity, Ct. of Appeals, Ky.*



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NEW YORK, May 25.—Addressing the field staff of the National Surety, William B. Joyce, chairman of the board, advises of the appointment of E. M. Allen as executive head of the credit insurance department, filling thereby the vacancy in the management created through the death of E. M. Treat several weeks ago. Capt. W. L. Clemens, Mr. Joyce further states, continues as assistant to the vice-president in charge of the credit division, the business of which will be under the guidance as to policy of an "executive council" composed of Capt. J. H. Winkler, A. B. Treat and Austin W. Hyde. The underwriting committee at the home office of the company will consist of Mr. Allen, Captain Clemens and Mr. Treat.

Mr. Allen, vice-president of both the National Surety and the New York Indemnity, is one of the best known insurance men of the United States. Formerly a leading agent at Helena, Ark., he served for some time as president of the National Association of Insurance Agents, doing yeoman service for that organization. He will continue as chairman of the production committee of the National Surety and will actively aid in developing general business for the in-

stitution, work for which he is peculiarly endowed. Having been a member of the branch bank for the eighth district of the Federal Reserve System, he is very familiar with banking and credits and for several years past has made an intensive study of credit insurance.

SALESMAN'S GREATEST NEED BETTER KNOWLEDGE OF LINE (CONTINUED FROM PAGE V)

ing purposes over an uninterrupted number of years, or property of any kind permitted to be used for such purposes without protest, could be termed as it often is in legal court an 'attractive nuisance' and suit can be brought against the owner in the event of accident. In fact, a claim was paid only the other day by a casualty company in such a suit, the result of a child breaking an arm while playing on a steam roller, which had been idle for some time. The children had been in the habit of playing there and the court decreed that they were not mature enough to realize they were trespassing, and inasmuch as no effort was made to keep them off it was an 'attractive nuisance.' The mention of this fact at a club meeting brought orders to the local agent the next morning for three general liability policies on dwellings. A small wrinkle, but this is the type of knowledge which the insurance agent needs, and rafts of it are available to all who will dig it out.

"Coming to the business of fire insurance—there is such a very small number of agents in the country who know anything about the allied fire lines that this lack of knowledge handicaps their selling efforts. For instance, rents insurance—without question the easiest line of insurance in the whole world to sell and the cheapest form of insurance and one which is gladly and willingly bought—is little sold by fire insurance agents. Few are familiar with the cover or the different forms or just what it does and yet there isn't an agent in this room, even the very poorest of salesmen, who could not go out and before 10 o'clock tomorrow morning sell a half a dozen rents policies. If I were to ask you agents to hold up your hands to indicate which of you carries rents insurance, I rather think it would be embarrassing.

"The occupation of insurance salesmanship is not so much in need today of added or improved powers of seeking interviews, of dominating the prospect, of making the pleasant impression—all of these being helpful, of course and to be encouraged—but rather a greater knowledge on the part of all agents of what they are selling."

W. I. Snow Dead

W. I. Snow, one of the veteran surety men of Chicago, died Monday at his home in Chicago. Mr. Snow had not been active in the business for some years, but a quarter of a century ago he was prominent in surety circles, being with the American Surety, Conkling, Price & Webb and some other offices.

NEW YORK AGENTS HAD LIVE ANNUAL SESSION (CONTINUED FROM PAGE I)

or the work not definitely assigned to the other established committees. It is now but one year old. During the past year it has had considerable correspondence with local agents and has acted as sort of a clearing house of information.

Few Bills Introduced Affecting Insurance Business

Frank L. Gardner in his report as chairman of the committee on laws and legislation said that there were few serious bills affecting the insurance business introduced into the recent session of the New York legislature and that practically all those which passed were routine measures. He devoted most of his discussion to the report of the industrial survey commission appointed at the 1926 session of the legislature. This committee directed attention especially towards compensation insurance, voting against the request for a monopolistic state fund on the ground that such a fund is not to the advantage either of the individual or the state. The committee recommended that no further legislation affecting this question be enacted for a period of five years.

Widespread Interest in Auto Club Situation

Albert Dodge of Buffalo, vice-chairman of the committee on automobile clubs, gave the report that probably met with the widest response. During the year the local agents of New York State have had to combat the most serious and menacing competition from the mutuals which have been allying themselves with motor clubs in the principal cities of the state. There has been a concerted effort to persuade motor clubs to establish an insurance department and usually a mutual has attempted to line itself up with this program. The agents of the state were thus faced with the possibility of losing a considerable amount of their automobile business and have waged relentless warfare against those who were tempting to put the automobile clubs in the insurance business and the mutuals that were endeavoring to attach themselves to the motor clubs.

Mr. Dodge explained the part that the association has played in meeting this situation and convincing the members of the motor clubs not to go into the insurance business. The association was, in fact, successful in every instance except in Rochester.

Federation Secretary Offers Aid to Agents

L. L. Saunders of Albany, secretary of the Insurance Federation of New York, followed Mr. Dodge with an address, "They Shall Not Pass."

The federation will cooperate closely during the coming year with the agents' association in combating the unfavorable automobile situation. Mr. Saunders explained that the State Association of Auto Clubs is to meet in Rochester next October and at that time it is hoped that the organization as a whole will be persuaded against lining its individual members as competitors for local agents. Mr. Saunders explained the methods followed by many of the motor clubs in attracting the attention of the public.

Lawrence Daw, manager of the Syracuse division of the New York Fire Insurance Rating Organization, was the final speaker on Tuesday morning. Mr. Daw discussed sidelines and the possibilities that they offer to agents. He said that some agents get only such business as may come as a result of the normal expansion of building and business in a community but that the real possibilities lie in the development of the sidelines. This is business that can be created by the local agents and is frequently neglected. He explained interestingly some of the arguments for the principal sidelines.

President McPherson then appointed Eugene A. Beach of Syracuse as chairman of the nominating committee, naming as the other members Frank L.

Gardner, Ray R. Brockett, H. Clay Smith, W. C. Bagg, W. S. McCarthy, Gilbert T. Amsden, Warren Gildersleeve and Peter D. Kiernan. John D. Kinney was appointed chairman of the auditing committee, other members being A. R. Manley and Mrs. Arthur J. Keefe.

F. G. Noxsel was named chairman of the resolutions committee. The other members appointed were Richard Carey, Carroll Knapp, Thomas Maxey, A. C. Wallace, Clinton Ayres, Percy Decker, H. D. Van Voast, B. J. Carpenter and A. C. Edwards.

Luncheon Tendered Agents by Excelsior

At noon a complimentary luncheon was tendered by the Excelsior Fire of Syracuse. President Frederick V. Bruns of the Excelsior presided. There was a heavy turnout for this affair, 266 being present. Vice-President and General Manager Robert C. Hosmer was introduced. The only speaker was S. P. Hancock, general counsel of the association, who was active in the fight against the



FRANK L. GARDNER, Poughkeepsie President National Association

mutuals and the automobile clubs waged during the year.

Report of Local Boards Were Heard

One of the principal features of the Tuesday afternoon session was the reports from the local boards in many of the counties in the state. The president named the counties alphabetically and a spokesman was called for to represent each county. The following county representatives outlined the situation in their counties: Broome, H. Clay Smith; Jefferson, H. L. Brownell; Monroe, Gilbert T. Amsden; Orange, A. C. Wallace; Westchester, E. Paul Schaefer; Genesee, H. S. Townsend; Chautauque, B. G. Giffany; Onondaga, W. J. Richards; Schenectady, H. S. Van Voast; Albany, Peter D. Kiernan.

In addition to outlining conditions in his county Mr. Kiernan advocated that the association take some action looking toward the elimination of underwriters' annexes. He characterized underwriters' agencies as an evil in the business and suggested that legislation be enacted to disbar them.

Discuss Problems of Farm Agents

A. C. Wallace of Goshen spoke on insuring farm property. He stated that virtually all companies regard farm business as unprofitable and explained that his agency is soliciting only renewals and no new business because too much difficulty is encountered in attempting to place the risk that the companies in his agency had not previously been carrying. Mr. Wallace predicted the time will come when the stock companies will write practically no farm business. He says that the only answer seems to be for the agent in the rural communities to write more sideline business, but

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stated that the attitude of the assured probably will be that the agent who writes the farm business will probably be given the assured's other business. Mr. Wallace summed up the situation by saying that perhaps the real solution might be in the organization of a farm writing bureau or pool to be operated by a group of companies, as is the Factory Association, Oil Association, etc.

A. C. Brainard of Spencerport also discussed farm writing conditions and complained of the difficulty he found in placing his risks.

F. F. Buehl, special agent of the Agricultural, a veteran farm underwriter, explained the moral and physical hazards attaching to farm business, detailing the present unenviable condition of the average American farmer. In order to get their risks written Mr. Buehl advised agents to cut their business in small slices, giving only a little to each company. He explained that 60 percent of the total value of farm risk is usually in the buildings and 40 percent in the land and asserted that agents should not attempt to insure farm buildings for more than 60 percent of their value. Agents who expect to get their farm business written must know something of farm values, must inspect their risks, and must not attempt to overinsure.

The concluding speakers on Tuesday afternoon were Eugene A. Beach of Syracuse, past president of the New York association, who spoke on "Why Local Boards and Clubs"; W. Eugene Harrington of Atlanta, chairman of the executive committee of the National Association whose topic was "The National Association at Work"; Gilbert T. Amsden of Rochester, whose subject was "More About Agency Expense" and whose talk consisted of an explanation of the plans of the better business committee of the National association; A. L. Kirkpatrick, secretary of the Casualty Information Clearing House, who explained the "Insure in April" put on in the middle west this year, and Wellington Potter of Rochester, who spoke on "Selling Insurance in Competition with Mutuals and State Funds."

Annual Banquet Held Tuesday Evening

Frank L. Gardner, president of the National association, wielded the gavel as toastmaster at the annual banquet on Tuesday evening. The honored guest was James A. Beha, insurance superintendent of New York. The other speakers were Spencer Welton, president of the New York Indemnity, and Clarence T. Hubbard, assistant secretary of the Automobile of Hartford. Mr. Welton's talk was as usual brilliant and witty and Mr. Hubbard was also well received.

The waste arising out of not taken policies and the non-payment of earned premiums on undelivered policies must be eliminated by both companies and agents, James A. Beha, New York superintendent, declared in his talk at the banquet. These two evils cause a large unnecessary expense, Mr. Beha said, and this added cost is merely passed on to the insurance buyer. Because of this situation the public is paying more for its insurance than it should and Mr. Beha warned that both agents and companies would have to take steps to remedy the evils that he described. Mr. Beha added that in order to survive agents will have to serve and justify their commissions through real service.

On Wednesday the program was given over to scheduled speeches. On the previous day there was much discussion from the floor, but in order to complete the program by noon the Wednesday morning session was devoted wholly to listening to the programmed speakers. Frederick V. Bruns of Syracuse, president of the Excelsior Fire and a past president of the association, was first with his talk entitled "Lest We Forget." He was followed by Norman R. Morav, vice-president of the Hartford Accident, who discussed casualty companies and bureaus.

William Quaid, vice-president of the

America Fore companies, gave a talk on "Viewed Through Company Spectacles" and was followed by W. Eugene Harrington of Atlanta, chairman of the executive committee of the National association, who reviewed the bank agency situation. A. B. White, Jr., of Parkersburg, W. Va., past president of the West Virginia association, told of the success in West Virginia in limiting the agency representation of one company in a territory. President Frank L. Gardner of the National association gave the agency viewpoint on conference and cooperation, and Harvey S. Russ concluded the program with his talk on "After the Fire."

J. W. ROSE IS ELECTED PRESIDENT FOR NEXT YEAR (CONTINUED FROM PAGE 1)

submit their annual reports. This again closely resembles the procedure followed by the National association.

If there is any criticism to be offered regarding the annual conventions of the New York association which are obviously successful and hence not subject to a great deal of criticism, it is that too much time is consumed on the floor in reading reports that might perhaps be printed and distributed to the members. Many necessary and valuable reports could just as well be printed. If this were done there would be more time for addresses and discussions. The feeling of some is that this year's program was somewhat overloaded not so much by speakers as by committee chairmen and representatives of various sections of the state. What they had to say was important but it is contended by a number that the convention floor is not the place for material of this character.

From what was said at the convention it might easily be surmised that the agents in the cities and larger centers in New York state were faced with one definite problem this year, while those in the smaller communities had to contend with a wholly different one. In the larger towns there was a decided effort made to embark the motor clubs in the insurance business. Several mutuals were responsible for this activity and it was only by the most vigorous kind of battling that the New York association was able to keep the motor clubs out of the insurance business. This is an old story in this state and a few years ago it was felt that the battle had been won, but all of the heavy artillery had to be swung into action this year when it was found how serious the problem had become. At this week's convention various aspects of this battle were dwelt upon.

Farm Business Is Also Big Problem

The agents in the smaller communities, those writing the farm business in the state, expressed no little alarm at the disinclination on the part of the fire companies to write farm business. From what they said there is no question but that farm business, even the best of it, is going begging in the state. Most farm writing agents are having great difficulty in even renewing their business, to say nothing of getting new business on the books. There seems to be no immediate relief for them in sight, as the companies have had a most unfavorable experience recently in the state. The agents who spoke expressed fear over not only losing their farm business but their other lines to the mutuals which might be willing to write farm risks.

Surveying the program as a whole there is no question but that it was the most complete in years. There were talks and discussions by local agents without number. Several company officials spoke, as did field men, association officers and in fact all those connected with every important branch of the business. Casualty insurance came in for quite as much attention as fire and there was plenty at the meeting for agents writing every conceivable kind of business.

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RESULTS OF EXAMINATION ANNOUNCED BY DEPARTMENT

REPORT ON EQUITABLE SURETY

New York Examiners Recommend Some Changes in Operation of Company

The New York insurance department has issued the examination report of the Equitable Surety as of Dec. 31, 1926. The report shows total admitted assets of \$1,119,676 and net surplus of \$193,795 over the \$550,000 capital. Since the completion of this report, however, the proposed increase of \$300,000 in capital has been withdrawn, leaving the company with \$250,000 capital and net surplus unchanged. The company's premium income is given for last year at \$851,732, bail bonds furnishing \$174,658, motor vehicle bonds, \$611,544 and other surety bonds \$633,114. The report also shows commissions of \$209,693 paid to the Harold Spielberg agency and other commissions making a total of \$430,860. The commissioners' report concludes with several recommendations, one of which is the discontinuation of the commission agreement with the Harold Spielberg agency. It is also recommended that the company be required to place in its treasury sufficient capital investments to meet with requirements of its amended charter and to make such additional deposit with the insurance superintendent as required by the law. It is still further recommended that the company be required to write its motor vehicle business under the casualty powers of its charter and maintain reserves for such business as required by law.

Michigan Verdict Sets Record

FLINT, MICH., May 25.—A new record in personal injury judgment was set here when a jury awarded Arthur Palmer, Sr., \$74,000 of his \$100,000 claim against the receivers for the White Star Motor Bus Company.

Mr. Palmer sustained fractures of both arms, a crushed chest and several additional injuries when his machine collided, head-on, with a bus belonging to the company. The accident occurred on a main highway about 10 miles from Flint. Evidence indicated that the bus had faulty brakes and could not be brought under control by its driver, thereby precipitating the smash-up.

Michigan agents have already been sounding the alarm for higher limits in public liability coverage for autoists. A number of very large judgments have been rendered in Michigan, but this case is generally conceded to have established a new precedent.

Not A Life Company

The Hoosier Casualty of Indiana, formed in 1921 as successor to a mutual company of the same name, was denied the status of a life insurance company by the United States board of tax appeals. The board also held that where a company assumed the risks of a mutual company in consideration of the transfer to it of the net surplus of the mutual company the transaction was one of reinsurance and the net surplus so received was income to the stock company.

Plan New Twentieth Century Hearing

COLUMBUS, O., May 25.—Hearing in the case of the Twentieth Century Life of Chicago will be resumed as soon as the company prepares its answer to allegations of the complainants, it was said here yesterday. That probably will be in two weeks. The Ohio department, now that presentation of the case against the company is complete is ready to give "full consideration" to the defense of the company, Superintendent W. C. Safford said. Hearings were halted at the request of the company so it could prepare its answer.

FEIGENSPAN NOTABLE FIGURE IN NEWARK CIVIC AFFAIRS

Christian W. Feigenspan, president of the Commercial Casualty of Newark, is a notable figure in the financial, industrial and social life of that city. "He is also a sportsman," according to the Newark Call, "not as a belated diversion to success, but because he has always known how to enjoy the best of life." "Mr. Feigenspan," again to quote the Newark Call, "probably does more things well than any other Newarker. He is an expert photographer, one of the best shots in the country, is an ardent and expert fisherman, an enthusiastic owner of high speed motor boats, and is an authority on horticulture and beekeeping. One of the best sidelights on his life is shown in his gift of the Colleoni statue in Lincoln park.

"Many years ago Mr. Feigenspan in his travels had formed an acquaintance with a mining prospector in Nevada. The miner believed the pot of gold lay at the end of the rainbow which reached South America. Mr. Feigenspan 'staked' him and the mining venture proved successful and returned the 'stake' several fold. Mr. Feigenspan took his unexpected dividend and gave to the city a reproduction of what has been called the finest equestrian statue of the world—that of Bartholomeo Colleoni, by Verrocchio, which has been one of the artistic landmarks of Venice since 1940. This magnificent reproduction, executed by J. Massey Rhind, stands 45 feet high and is an exact copy of the original. The statue was unveiled in 1916, as one of the features of the city's 250th celebration."

Mr. Feigenspan has been a member of the city plan commission and of the sinking fund commission. He is a trustee of the Memorial Hospital, the Newark Museum Association and the free public library. He is also a member of a number of city and county clubs.

Chandler Makes Appointments

Frank M. Chandler, vice-president of the New York Indemnity at Chicago, announces the appointment of Jay J. Reynolds as manager in the western department office there and of Martin H. Fox as assistant manager. Mr. Reynolds is an experienced surety man. Mr. Fox was formerly assistant manager of the Travelers in Indiana.

Alabama Casualty Returns

The total casualty and miscellaneous premiums in Alabama last year amounted to \$7,092,185 with losses \$3,446,857. The leading group was accident with \$2,061,457 premiums and \$1,034,189 losses. Workmen's compensation was next with \$1,487,391 premiums and \$976,274 losses. Next came automobile liability with \$736,982 premiums, \$370,746 losses. The premiums in 1925 were \$6,611,428 with losses \$3,203,873.

Commonwealth Casualty's Growth

An increase in assets of more than \$800,000 during the past five months is indicated in the report of the Commonwealth Casualty of Philadelphia. The report indicates total assets of \$2,262,243 May 1, against \$1,456,219 December 31. The company now has capital and surplus of \$1,003,415, with reserve for unearned premiums \$870,301, and total reserves \$1,258,828.

Report on West Virginia Business

According to the annual report of Commissioner Mallison of West Virginia, casualty companies operating in the state in 1926 received premiums of \$5,828,185 and incurred losses of \$2,498,871.

Test Cincinnati Taxi Ordinance

The independent taxicab owners in Cincinnati are testing the constitutionality of the Cincinnati taxicab ordinance which requires that taxicab owners carry insurance or furnish bond to cover property damage and personal injury losses. It is expected that the supreme court of the state will hand down a ruling next week on this ordinance.

GLOBE INDEMNITY CHANGES IN NEW YORK CITY OFFICE

NEW YORK, May 25.—Thomas J. Graham, vice-president of the Globe Indemnity and manager of its New York City office, announces the following changes in his staff: Walter H. Duff is appointed manager of the fidelity and surety department in succession to Frank T. Gilson, called to the head office of the company at Newark as assistant to Vice-President M. A. Craig in charge of fidelity and surety underwriting. Mr. Gilson has been attached to the New York office for several years, prior to which time he had charge of the fidelity and surety division for the Commercial Casualty of Newark. Before that he was associated with the National Surety as vice-president in charge of its contract bond business.

Mr. Duff has been a surety underwriter since 1910, going with the Title Guaranty & Surety of Scranton at that time. After serving as assistant manager of the company's Denver branch and later at its Kansas City office he entered the service of the American Surety, remaining until 1914, when he became county engineer for Moffatt county, Colo. In 1923 he reentered the surety business as manager of the surety and fidelity department of the New York City branch of the Independence Indemnity, continuing until his acceptance of the offer from the Globe Indemnity.

I. A. Snyder with Century Indemnity

Ivan A. Snyder has been appointed manager of the claim division of the Century Indemnity with headquarters in Chicago. He was formerly connected with the Central West Casualty of Detroit. He will be located in the Century Indemnity's office in the Wrigley building.

Regulate Land Value Concerns

SPRINGFIELD, ILL., May 25.—House bill 615, introduced by Michael L. Igoe of Chicago, amends the casualty insurance act by adding sections governing the organization and supervision of companies formed for the purpose of insuring or guaranteeing land value.

Would Kill Compulsory Bills

MADISON, WIS., May 24.—Indefinite postponement was recommended for three compulsory automobile liability insurance bills by the assembly joint highways committee following its hearing last week on these bills, 121-A, 136-A and 623-A. The last bill, 623-A, was a so-called "model" compulsory bill.

Insurance men massed forces and appeared before the joint highways committee at the assembly field day last week and presented their arguments against compulsory automobile liability insurance. The senate had already killed two compulsory measures which indicated its feeling on this matter.

To Study Compulsory Insurance

SAN FRANCISCO, May 25.—Governor C. C. Young of California has appointed Speaker Edgar C. Levy of San Francisco as chairman of the special committee which is to study compulsory automobile liability insurance and report back to the 1929 legislature. Public hearings are to be held in San Francisco, Los Angeles and Sacramento, and it is reported that the secretary of the committee, when appointed, will be sent to Massachusetts to study the operation of the law in that state governing automobile liability insurance. Other members of the committee are to be announced soon. Main headquarters of the committee will be established in the State building in San Francisco.

Error in Stock Quotation

In reporting the prices of insurance companies' stock recently the quotation on the United States Casualty was given as 39-40. This should have been 339-340.

Organize Apex Casualty

LOS ANGELES, May 25.—The Apex Casualty Company is being organized in Los Angeles by Ben L. Goodheart, who at one time was connected with the Seaboard Casualty and the Lincoln Casualty. Mr. Goodheart proposes to operate on the assessment plan.

WEEKLY PREMIUM WRITERS SEEK MORE COOPERATION

INDUSTRIALS TO ORGANIZE

Plan Association to Take Up Problems of Companies Writing Life, Accident and Health

HARTFORD, May 25.—At a meeting of publicity men and some agency managers of companies writing industrial insurance who were attending the Insurance Advertising Conference it was decided to appoint a committee to take up the subject of the advisability of organizing an association of companies writing industrial life, accident or health insurance for cooperation and help.

It was stated there is no existing body that deals with the peculiar industrial problems. It was felt the time had come for an organization of industrial executives and department heads to exchange views, and discuss questions of mutual interest. The committee consists of J. J. Doyle, Western & Southern Life, chairman; E. H. Cullom, Life & Casualty of Nashville; Felix Rothschild, Sun Life of Maryland; J. J. Bradley, Home Life of Philadelphia; H. C. Welch, American Bankers of Jacksonville, Ill.; H. C. Emmons, Mutual Life of Maryland.

Increase Louisiana Compensation

NEW YORK, May 25.—To meet the increased cost of workmen's compensation insurance in Louisiana following the recent legislation in the states, a new series of rates, effective July 1, and applicable on that date both to new and renewal business, has been adopted. These show an advance of approximately 8.2 percent over the existing level.

Equitable Surety's Capital Increase

NEW YORK, May 25.—Directors of the Equitable Surety of this city at a special meeting yesterday decided upon a \$300,000 meeting yesterday would... a \$300,000 increase in the company's capital, bringing the item up to \$550,000.

New U. S. F. & G. Director

BALTIMORE, May 24.—Charles H. Knapp, Baltimore lawyer, was elected to the board of directors of the United States Fidelity & Guaranty last week. R. Howard Bland, president of the company, reported satisfactory business for the company both for April and the first four months of the year.

Review Plate Glass Experience

NEW YORK, May 25.—The governing committee of the plate glass department of the National Bureau of Casualty & Surety Underwriters will meet Thursday to review the loss experience of the member companies for the past year. When the data is tabulated and analyzed it will be referred to the full department to take whatever action with respect to rate changes may seem warranted.

Oregon Premiums Given

The total surety and casualty premiums in Oregon last year amounted to \$5,449,804, with losses \$2,476,052. The companies having the largest premium income were the Aetna Life, with \$460,192; Hartford Accident, \$268,342; Metropolitan Casualty, \$268,023; Mutual Benefit Health & Accident, \$343,971; Oregon Surety & Casualty, \$203,617; Travelers, \$238,586; United States Fidelity & Guaranty, \$247,941.

New Metropolitan Casualty Directors

At a meeting of the board of directors of the Metropolitan Casualty, two prominent bankers were added to the directorate. They are George F. Rand, president of the Marine Trust Company of Buffalo, and LeGrand S. DeGraff, president of the State Trust Company of North Tonawanda, N. Y.



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Sam G. Parks, Secretary

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